Austria	Sch. 22	Indonesia	Rp 3100	Portugal	Esc 100
Bahrain	Din 0.650	Israel	NS 3.50	S. Arabia	Rls 6.00
Belgium	BFr 48	Italy	L 1600	Singapore	S$ 4.10
Canada	C$1.00	Japan	Y600	Spain	Pta 125
Cyprus	C£0.75	Jordan	Fils 500	Sri Lanka	Rup 30
Denmark	DKr 9.00	Kuwait	Fils 500	Sweden	SKr 8.00
Egypt	E£2.25	Lebanon	£L 60.00	Switzerland	SFr 2.20
Finland	Fmk 7.00	Luxembourg	LFr 48	Taiwan	NT $65
France	FFr 6.50	Malaysia	Rin 4.25	Thailand	Bht 50
Germany	DM 2.20	Mexico	Pes. 300	Tunisia	Din 0.800
Greece	Dr 100	Morocco	Dh 6.00	Turkey	L 500
Hong Kong	HK$ 12	Netherlands	Fl 3.00	U.A.E.	Dh 6.50
India	Rup. 15	Norway	NKr. 7.00	U.S.A.	$1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,256 Thursday June 11 1987 D 8523 A

India puts ambition before neighbourly friendship, Page 4

World news | Business summary

Thousands in violent S. Korea protests

Tens of thousands of South Koreans demonstrated against the Government and clashed with police in protests throughout the country. A train was commandeered, government offices set ablaze and more than 2,000 detained.

In Seoul, police ran out of tear gas and hundreds of students disarmed a group of about 30 and battered them with rocks. Protesters demanded the resignation of President Chun Doo Hwan and a return to full democracy. Page 20

Botha declaration

President P. W. Botha of South Africa announced the extension of the year-old national state of emergency imposed to curb black unrest. Page 20

Spanish election

Spain's ruling Socialist Party lost ground in several key city councils, according to predictions as the polls closed in municipal, regional and European parliament elections. However, the forecast by SER radio showed the Socialist vote in the European elections within two points of the 44 per cent scored by the governing party in general elections last year.

Iranians expelled

Britain ordered Iran to reduce by two the size of its embassy staff in London following the expulsion of five British diplomats from Tehran. Page 4. France expelled eight Iranian students on the grounds that their presence endangered its security.

Soviet expulsion

The Soviet Union ordered the expulsion of a Swiss diplomat in apparent retaliation for the Swiss expulsion of a Soviet diplomat last month. Japan protested to the Soviet Union about involvement of its diplomats in spying in Japan.

Beirut bombings

Mortar bombs exploded near the palace of Lebanese President Amin Gemayel in Beirut in an apparent sign of mounting impatience with the pace of investigations into the murder of Prime Minister Rashid Karami.

Gulf tanker hit

A Greek tanker loaded with Kuwaiti crude hit a mine in the Gulf only hours after the US and its allies agreed in Venice on the need to uphold the free flow of oil through the waterway.

Fighter crash

A French Mirage F-1 fighter aircraft crashed near Koblenz, West Germany – the fourth French air force Mirage to crash in three weeks. The pilot ejected safely.

Sri Lanka polls

Sri Lanka would hold local elections in September throughout the island, including the northern Jaffna peninsula, officials said. Colombo formally told India it had ended its military offensive against Tamil extremists in the Jaffna peninsula. Page 4

Diplomatic move

West Germany expects soon to establish diplomatic relations with Albania, the only European state with which it does not already have official ties.

Summit noise worry

Officials in Venice expressed concern that the constant clattering of police helicopters protecting leaders at the seven-nation summit could damage the 11th century basilica of St Mark's.

Doctors fail test

Four Italian doctors operating a local medical laboratory certified samples of orange juice mixed with pepper as perfectly normal human urine. They were convicted of fraud and given suspended jail sentences.

Hyster closes Irish plant

HYSTER CORPORATION, US manufacturer of lift trucks, shut its Irish plant which had spearheaded the company's diversification into automated guided vehicles and other advanced material handling equipment. The closure was a major blow to the Irish Industrial Development Authority which had regarded the project as one of the most significant investments it had attracted from abroad. Page 21

ITALIAN plan to impose a capital gains tax on equities has come under renewed fire from senior politicians. Page 21

FLOATING of Tie Rack, UK necktie retailer which is staging one of the most expensive issues seen on the London stock market, has been subscribed 84.6 times. Page 42

LONDON: Equities succumbed to pre-election jitters while gilts were barely changed. The FT-SE 100 index fell 9.1 to 2,256.1 and the FT Ordinary index also fell 9.1 to 1,752.2. Page 42

WALL STREET: The Dow Jones industrial average closed up 0.91 at 2,353.61. Page 42

TOKYO: A revival of interest in large-capital stocks drove share prices to a record close. The Nikkei average gained 359.08 to 25,738.96. Page 42

DOLLAR closed in New York at DM 1.7915, SFr 1.4806, FFr 5.9915 and Y142.0. It rose in London to DM 1.7960 (DM 1.7905); SFr 1.4864 (SFr 1.4825); FFr 6.0050 (FFr 5.9875); and was unchanged at Y142.45. On Bank of England's figures the dollar's exchange rate index fell 0.3 to 100.7. Page 31

STERLING closed in New York at $1.6615. It fell in London to $1.6580 ($1.6615) and Y236.25 (Y236.75). It rose to DM 2.9800 (DM 2.9750); SFr 2.4658 (SFr 2.4625; and FFr 9.9625 (FFr 9.9475). The pound's exchange rate index fell 0.2 to 73.2. Page 31

GOLD rose in London to $455.75 from $453.25. In Zurich it also rose to $454.25 from $453.25. In New York the August Comex settlement was $461.30. Page 30

JEUMONT-SCHNEIDER, private telecommunications and electrical equipment manufacturer, is continuing to search for alliances with other European partners. Page 22

FIAT plans to merge its farm machinery subsidiary, Fiatagri, and earth moving equipment business, Fiatallis, into a common holding company within Fiat's current policy rationalisation policy. Page 22

UNION CARBIDE India, a subsidiary of the US chemicals group, has been refused permission by the Maharashtra state government to close its Bombay plant, following an appeal by the plant's 1,000 employees.

DEPOSITORS in 6 Juli Bank of Denmark, which had its operations suspended by the Bank Inspectorate in March, are now certain their money will not be lost. A rescue operation has been put together. Page 22

KONE, Finland's lift maker, reported 32 per cent fall in pre-tax profit to FM 21m ($4.79m) for first four months. Page 22

FERMENTA: Shareholders in the scandal beset Swedish antibiotics and chemicals group, voted to press the new board to take legal action to claim damages against 10 previous board members. The 10 include two former managing directors and the move will break new ground in Swedish corporate litigation. Page 21

AVESTA, Swedish stainless steel manufacturer, reported 35.4 per cent increase in profits in first quarter to SKr 111m. Page 22

BURLINGTON Industries Group, largest US textile group, has been granted a preliminary injunction barring a hostile takeover offer. Page 22

Industrial nations reaffirm commitment to co-operation

BY STEWART FLEMING, PHILIP STEPHENS AND JOHN WYLES

VENICE SUMMIT

THE 13th annual summit of leaders of the main Western industrial countries wound up here yesterday with a general reaffirmation of a wide range of previous commitments on economic policies, trade and agriculture and only a limited prospect of new initiatives.

Although the achievements may not have matched the splendour of their surroundings, the heads of governments were characteristically pleased with the outcome.

President François Mitterrand of France was "personally satisfied", Mr James Baker, the US Treasury Secretary, was content that the US had achieved what it wanted on all major items, while Sir Geoffrey Howe, Britain's Foreign Secretary, thought that "a beacon of hope" had been lit for the unemployed.

On the economic front, both Mr Baker and President Mitterrand stressed that the summit's principal importance had been in developing the move towards greater international economic co-operation launched at last year's Tokyo meeting.

The summit's final declaration on economic issues reaffirmed the commitment by the seven – the US, France, Britain, West Germany, Italy, Canada and Japan plus the European Community – to the policy measures agreed in Paris in February. It also added a more detailed framework for policy co-ordination through the use of economic performance indicators.

President Mitterrand called this "the success of the conference" and another step towards the target of reference zones for the major currencies which France had been seeking for several years.

More cautiously, Mr Baker said that the economic indicators would provide "an early warning system" which would allow governments to consider whether changes in economic policies were needed to maintain the momentum of world growth.

But West Germany, which has been under constant pressure to boost its economic growth, insisted that the accord implied no new obligations. West German Chancellor Helmut Kohl stressed afterwards that domestic demand in his country was growing strongly and that his Government was living up to its international commitments.

Nevertheless, US officials drew attention to the section of the declaration committing governments to review policies if their economies were faltering – which, in their view, applied particularly to West Germany.

Mr Baker acknowledged that the summit had taken no major new policy initiatives, but added that "major macro-economic policy undertakings by these countries every two or three weeks or months are simply unrealistic."

Asked about initial reaction by the currency markets to the summit agreement, he said that if they had been paying attention over the last three weeks they would not have been expecting brand new initiatives. "Maybe the reaction will be all right," he added.

The Third World debt problem emerged as a serious preoccupation at the summit's final session yesterday morning. Concern was evident in the extremely rapid endorsement in the final declaration of the proposal by Mr Michel Camdessus, the managing director of the International Monetary Fund, for a "significant increase" in the Structural Adjustment Facility – the IMF's special fund for poor countries.

In addition, the seven approved an extraordinary reference to the financial stability of the World Bank, whose ability to lend is being constrained by a shrinking capital base.

However, the summit came up with no new commitments for Third World debtors and was unable to reach an agreed approach on how to help the very poorest debtor countries which are in sub-Saharan Africa. French efforts to secure a commitment from the seven to fix their development aid at 0.7 per cent of national gross domestic product ran into resistance from the US.

"The entire world is asking the US to reduce its deficit and at the same time for major new initiatives for Third World development. These two things are inconsistent," said Mr Baker.

On trade and agriculture, the summit stood pat on established international positions within the General Agreement for Tariffs and Trade and the Organisation for Economic Co-operation and Development.

Protectionism was roundly condemned and the new round of negotiations in Gatt on trade liberalisation was urged to press ahead "with all due despatch".

President Reagan's attempt to seek faster progress in reducing agricultural subsidies through a special meeting of the seven's agriculture ministers later in the year was bluntly rejected by President Mitterrand and Chancellor Kohl.

Background, Page 2; Editorial comment, Page 18

US seeks to take control of Teamsters

BY NANCY DUNNE IN WASHINGTON

THE US JUSTICE Department is preparing an unprecedented civil suit to enable it to take control of the 1.7m member Teamsters Union through a court-supervised trusteeship and to eject its leadership on the grounds that it is controlled by organised crime.

The lawsuit is still being prepared by Justice Department lawyers, who say it may be months before the department is ready to file. However, word of the dramatic development leaked out this week in US newspapers, leaving unprepared government attorneys reportedly "apoplectic."

The action would be filed under a racketeering law, which the government has already used successfully to place a Teamsters branch in Union City, New Jersey, under court trusteeship. It comes after three decades of federal efforts to rid the union of its alleged mobster connections.

The Teamsters have stood virtually alone in the labour fraternity in providing political support for President Ronald Reagan. However, the Justice Department has continued to pursue evidence that the union's leadership is involved with organised crime.

Last year, in a dramatic speech at the Teamsters national convention, Mr William Brock, the Labour Secretary, urged members to "clean house" in the local unions "where crime interests reign and members' interests are ignored or trampled." He spoke shortly after the indictment by a Cleveland grand jury of Mr Jackie Presser, the Teamsters president, on charges of embezzlement and racketeering.

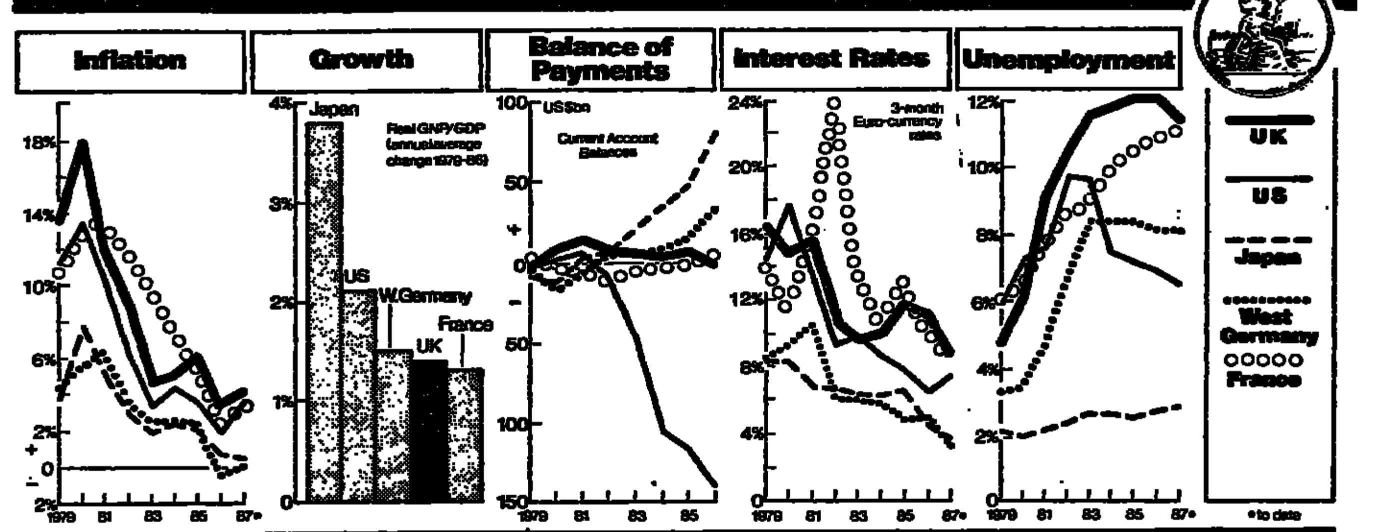
Mr Presser, who was carried into the convention on a golden sedan chair by four husky men dressed as Roman centurions, was the fourth of six presidents in the history of the Teamsters to be charged with a crime – the three others were convicted.

The trial of Mr Presser and two associates is scheduled to begin on August 10. They are accused of having embezzled $700,000 over 10 years to pay the salaries of "ghost employees" who did no work.

Mr Presser, a popular and colourful figure to many Teamsters, was reported at one time to have been an informant for the Federal Bureau of Investigation. At the Teamsters' last convention, a move to limit his salary to $500,000 a year was soundly defeated.

Another criminal trial underway in New York of an alleged Mafia boss, Anthony (Fat Tony) Salerno and 10 other defendents has presented testimony that Mr Presser's first election and that of his predecessor, Mr Roy Williams, was engineered by Mr Salerno through the union's executive board.

THE THATCHER YEARS 1979-1987



British PM heads for record third term

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MRS Margaret Thatcher, the British Prime Minister, looks set to be re-elected to a historic third term in office, when the UK's voters go to the polls today after a bruising three-week general election campaign.

The final opinion polls taken yesterday confirm the broadly stable pattern of the past three weeks, indicating a victory for Mrs Thatcher's ruling Conservative Party but with a much reduced parliamentary majority in the face of a powerful campaign by the main opposition Labour Party.

The national polls appear to rule out any chance of the centrist Alliance party holding the balance of power in a parliament with no clear overall majority. But opposition parties were encouraged by polls taken in the closely contested "marginal" seats which showed them closing the gap on the government.

The party leaders yesterday all made confident predictions about the outcome. Mrs Thatcher said she wanted a "large majority" to show "confidence in the future of our country" to those overseas thinking of investing in Britain. She said a Labour victory would leave Britain defenceless, shackled by rampant inflation and in the grip of left-wing extremists and trade unions.

Mr Neil Kinnock, the Labour leader, predicted "massive gains – enough to give us government" on the basis of the party's private polls and trends in the marginals. Mr Kinnock described Mrs Thatcher's claim to have made Britain great again as "the self-deluding vanity of a fading empress and her courtiers."

Mr David Steel, the Liberal leader, seized upon the evidence of constituency polls to claim that the long-predicted Alliance surge was happening at last and that it could win the balance of power.

However, privately, strategists of all parties expect the Tories to win a majority of more than 20, the level necessary for a full term to survive any by-election losses. The state of the parties in the last parliament, dissolved to make way for the elections, was Conservatives 392 seats, Labour 206 and the Alliance 27.

There were 22 legislators from other groups – 14 Northern Ireland Unionists, as well as Scottish and Welsh nationalists and independents. The neutral Speaker held a further seat and there were two vacancies through recent deaths. In the last election in 1983 the Tories took 42.4 per cent of the total vote. Labour took 27.6 per cent and the Alliance, in its first outing, managed to capture 25.3 per cent.

This time 43.6m people will be eligible to vote. In the 1983 poll just under 73 per cent of the electorate actually voted.

All the polls suggest that the public has been much more impressed by the campaign fought by Mr Kinnock and Labour than by its rivals. The Labour leader, who has enchanced his internal and external standing, said at a rally in Cardiff last night that the party had won the campaign.

"We have taken the politics of this country by storm. We have won the arguments. Nobody's going to turn us around now. Nobody is going to push back the Labour Party now." The Tories have been forced on the defensive for much of the campaign, particularly over education and the health service.

More election news, Page 10; features, Pages 18, 19

Audacious British bid launched for leading US advertising group

BY NIKKI TAIT IN LONDON

IN ONE of the most audacious moves by any British company, WPP Group, the acquisitive marketing services business born out of a former shopping trolley manufacturer two years ago, yesterday proposed a £277m ($460m) cash offer for JWT Group, one of America's oldest and largest advertising and public relations groups.

JWT immediately described the offer – which works out at $45 a share and would be financed by a heavy £177m rights issue with the remainder coming from a bank loan – as unsolicited, but said that it would review all options, including the WPP proposals, to determine the best course for its shareholders. WPP has picked up a 4.98 per cent stake in JWT during the past two months.

Mr Martin Sorrell, WPP's chief executive and a former finance director of Saatchi & Saatchi, has asked JWT to respond to a request for negotiations by 4pm (New York time) today. But JWT commented: "That's his deadline, not our's – we're not sure we can do the review in time."

Financing of the deal is equally bold – "the most aggressive ever done for the British company", claimed Mr Rupert Faure Walker of Samuel Montagu, WPP's advisers along with First Boston Corporation. If the deal goes through, Samuel Montagu and Citibank would arrange loan facilities of up to $260m plus a $50m working capital facility for JWT for a combined group with net liabilities of £58m.

Moreover, in sub-underwriting the rights issue – which goes ahead if the offer is successful – Samuel Montagu has broken away from the standard 1.25 per cent commission rate and offered some 200 institutions a two-tier structure depending on the outcome.

Yesterday Mr Sorrell, who flew to New York as the news was announced, said WPP's aim was to build a multinational marketing company, and with JWT it would be able to offer comprehensive marketing services. "There is absolutely no intention to make disposals," he stressed.

JWT takes in Hill and Knowlton, the world's largest PR and public affairs company, J. Walter Thompson, the fourth largest US-based advertisement agency – with clients ranging from IBM to Unilever – and MRB Group, on the market research side.

The company, which enjoys a high professional reputation, has, however, undergone management upheavals recently, with half a dozen senior employees leaving the company. Profits fell 40 per cent to $26.4m in 1986, and in the first quarter of 1987 there was a $1.4m loss, compared with a $3.1m profit in the same period last year.

One former employee – Mr Jack Peters, president and chief operating officer of JWT USA who left the company in February amid talk of a leveraged buy-out and attempts to remove the chief executive, Mr Don Johnston – is joining WPP on the board of the subsidiary making the offer, and will stay with the British company in any case.

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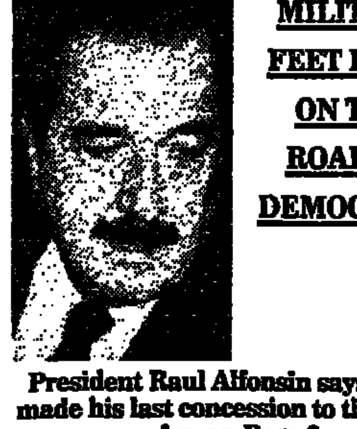

President Raul Alfonsin says he has made his last concession to the armed forces. Page 6

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Meeting of the mighty proves decidedly modest event

BY JOHN WYLES AND PHILIP STEPHENS

"A POSITIVE non-event," was one senior European official's judgment on the results of the two-and-a-half-day summit on a Venetian island. He was reflecting as well as any the calm but humdrum attitudes which were brought to Venice, as much by the heads of government taking part as any others.

President Ronald Reagan did not seek to push his partners too far on political issues, the Europeans demonstrated that their cohesion is growing at these occasions, Mr Yasuhiro Nakasone was spared any real "Japan bashing" and Mrs Margaret Thatcher was able to make a very abbreviated appearance without apparently disrupting the almost tranquil flow of events.

Measured against the requirements for strong multilateral responses to current problems, Venice produced modest achievements on the political front and probably rther thinner gains on the economic.

The Europeans genuinely feel that they have diverted President Reagan away from a risky military adventure in the Gulf, and that they have persuaded him to take an optimistic view of Mr Mikhail Gorbachev's domestic and external initiatives. The statement on terrorism builds on previous summit initiatives and strengthens the seven's responses to the problem.

On the economic front, the Venice summit was, more clearly than many of its predecessors, part of a chain of multilateral discussion and negotiation whose other principal links are the two meetings a year of the International Monetary Fund's executive committee, the annual OECD ministerial meeting, and gatherings of the General Agreement on Tariffs and Trade.

All of the main economic issues dealt with at Venice—policy co-ordination, agriculture, trade and debt—have been receiving fuller treatment elsewhere. But the summit could have served to add fresh momentum and even new agenda items to the negotiations in these other forums.

As a catalyst to further action the Venice achievement looks modest. Only two new items for the international agenda have been given a clear political "push." One was an undertaking to try to agree by the end of the year on proposals from Mr Michel Camdessus, the managing director of the IMF, for tripling the Structural Adjustment Facility for helping poor debtor countries. The other was an indication that negotiations on a capital increase for the World Bank may be launched in the coming year.

Attention in the markets is focusing immediately on the declaration on economic policy making for evidence of a stronger attack on economic imbalances. There is none, in the sense that substantive new actions have been agreed. Instead, there is a decision to establish a more detailed policy framework for international co-ordination from which, some day, may flow policy adjustments. Indeed, it is the trend in this direction which prompted President Francois Mitterrand of France to call the development "the success of the confernece."

But no one can say whether economic policy changes will emerge in time to reverse the downward trend in the world's economy. New forecasts from the OECD are expected to point next week to growth both this year and next of only a little over 2 per cent.

The seven's joint commitment to stable exchange rates has been reaffirmed, but the policies shakily underpinning the dollar remain unchanged. West Germany was still unmovable at the summit in its view that no new measures are needed to stimulate its economy ahead of the package of tax cuts planned for next January. West Germany as a locomotive? "This will not occur," affirmed Chancellor Helmut Kohl at his closing Press conference.

President Reagan, meanwhile, disappointed European hopes that he might consider some modest tax increases if the Democrat-controlled Congress turns away from his planned reductions in the 1988 budget deficit. Higher taxes were simply not an option, he told his colleagues, although his Treasury Secretary, Mr James Baker, did hint that they might have to be.

Japan whose Y6,000bn package of public spending increases and tax cutting measures was generally well-received at the summit can claim more than most to live up to its commitments to stimulate its economy.

Industrial stars add to summit glitter

By Alan Friedman in Milan

THE ITALIANS are calling it the "other summit," description which undoubtedly flattered a number of the 100 American and Italian chief executives from industry and finance who gathered last night amid the splendour of Milan's 15th century Sforza aCstle for a dinner party given by Mr Carlo De Benedetti of Olivetti.

Beginning yesterday morning in Milan, and ending this afternoon in Venice with a climactic address by President Reagan, the "Italian-American Conference on Private Sector Initiatives" is a decidedly unusual beast.

The conference — organised by the White House, Italian companies such as Fiat and Olivetti and a group of US business stars such as Mr John Phelan, chairman of the New York Stock Exchange, and Mr Jim Robinson, chairman of American Express—is all about "charitable giving," "voluntarism" and the promotion of "corporate social responsibility."

Mr Phelan, who like many of his colleagues spoke about "this important initiative," held a glass of spumante in one hand yesterday and explained how amazing it is that of the $87.22bn of charitable giving in the US last year "only 5 per cent came from corporations." The bulk of American philanthropy, some $71.7bn, came from individuals.

The chairman of one major Italian bank smiled sardonically last night when asked what he thought of the two-day extravganza, which comes to a glistering end today at Fiat's Palazzo Grassi museum in Venice. "We've been giving money to the arts and to other worthy causes for years," he said when asked whether the Italian business community was learning from the experience of its US counterparts.

Spotted in the corridors of Milan's deluxe Hotel Principe di Savoia, where the "summit" began, the ever-dapper Mr Mario D'Urso, an American Express executive who is known as one of Italy's most intrepid bankers and socialites, took the official line in describing the proceedings as "a very important initiative." Then, fumbling slightly for the right phrase he predicted that at today's Venice meeting the group would "get down to—how do you call it—brass tacks."

Full-scale criticism of South Africa blocked by Britain

BY PHILIP STEPHENS

WESTERN LEADERS yesterday made a brief critical reference to the apartheid regime in South Africa, but Britain blocked a full statement on the issue.

At the end of the seven-nation economic summit in Venice, Mr Amintore Fanfani, the Italian Prime Minister and host at the meeting, said that the leaders viewed the situation in South Africa with "particular concern."

In remarks agreed with the other heads of state and government, Mr Fanfani added: "We agree that a peaceful and lasting solution can only be found to the present crisis if the apartheid regime is dismantled and replaced by a new form of democratic, non-racial government."

The criticism of Pretoria, contained in Mr Fanfani's general summary of the summit stand on a wide range of political issues, fell short of the detailed declaration sought by a number of governments.

Senior officials from several delegations said that the British Government refused to agree to a separate statement on South Africa. Sir Geoffrey Howe, Britain's Foreign Secretary, denied that Britain had been isolated. He said that other governments shared his view that it was the wrong moment to launch any initiative so soon after the whites-only election, when the South African Government was likely to be particularly unreceptive.

According to the officials, Canada and the US had both during the past two months prepared drafts which they had hoped might form the basis of a separate statement at the summit.

The European Community's political directors had also discussed a draft declaration of guiding principles for the West's relations with Pretoria. This had focused on the pre-eminent need to dismantle apartheid, to establish the equal treatment for all South Africans under the law, and the need for respect of human rights.

At one stage, the US raised the possibility that its draft and the European version could be merged to provide a "Venice declaration." US enthusiasm, however, was said by the officials to have waned considerably after Britain made its opposition known.

At the summit, Canada continued to argue forcibly for a separate text, but was forced to accept the smaller declaration contained in the general political summary.

Mr Brian Mulroney, Canada's Prime Minister, said that the compromise was not "a perfect response," but it was nonetheless important that the issue had been addressed by the seven leaders. A failure to say anything would have sent the wrong message to Pretoria.

Communiques show waning Washington influence

BY STEWART FLEMING, US EDITOR

WHEN President Ronald Reagan arrived in Venice a week ago he disappeared to a country hotel for the first few days to recuperate from the journey, spending much of his time taking walks and watching films with his wife Nancy.

The contrast with his first summit in Ottawa in 1981, which produced the vivid picture of Mr Reagan vigorously taking charge—chauffering an anxious-looking West German Chancellor Helmut Schmidt in a golf cart—is, striking. It symbolises the diminished influence not only of Mr Reagan, but also of the US in summit decision-making.

In almost every area that the summit leaders have addressed, US positions have been watered down in the drafting process or dropped before the meetings opened.

Instead, it has been the Europeans who have had the biggest influence on the way the various summit communiques have evolved. The Japanese have been largely on the defensive because of the weakness of Mr Yasuhiro Nakasone, their Prime Minister, dissatisfaction with their economic and trade policies and the fact that their strongest ally at such international meetings has traditionally been the US.

The summit statements on East-West relations, and especially on the Gulf war, provided the most graphic evidence of the shift in the balance of power away from a Reagan Administration which has lost international credibility and clout.

The Iran arms sales scandal, for example, led directly to a statement in the political communique confirming the principle of "no concessions" to terrorists or significantly "their sponsors."

"Disenchantment with the US conduct of foreign policy, which deepened with the near-disaster at the Reykjavik summit, was evident in the refusal of summiteers to go along with the tough statement on policy in the Gulf which US officials initially sought.

Mr George Shultz's efforts to interpret the summit statement on the Gulf as an endorsement of the US call for a ceasefire, a retreat to international boundaries and mandatory sanctions against whoever failed to heed the call—almost certainly Iran—was greeted with profound scepticism even by a sympathetic US press. It, too, found it hard to understand how words like "ceasefire" did not appear and how the call for "effective measures" by the United Nations could be interpreted by the US as a call for mandatory sanctions, especially when Mr Schultz conceded he did not know whether China and the Soviet Union would support such a call in the Security Council.

In fact, of course, the other summit nations had succeeded in their goal of endorsing broad principles such as free navigation in the Gulf, but not what they saw as the dangerous tilt towards Iran implied by *Mr Shultz.*

Most striking and significant, especially when it is contrasted with the "evil empire" rhetoric of Mr Reagan's early days as President, was the cautious but clear endorsement the summit leaders gave to the internal and external policies of the Soviet Union.

As US officials presented their interpretation of the communique, they were again at pains to emphasise that US priorities which the other summit leaders can broadly accept were mentioned. Those include the resolution of regional disputes, withdrawal of Soviet forces from Afghanistan, an improvement in Moscow's human rights record and progress across the board on East-West relations.

A new and remarkable element in the communique was the guarded but nevertheless optimistic assessment of the significance of the reforms which Mr Gorbachev is setting in train. It was hard not to detect the hint of detente in the communique's wording that "it is our hope that they will prove to be of great significance for the improvement of political, economic and security relations."

Mr Reagan's difficulty, of course, is that having embarked on a firm course towards an arms control agreement on intermediate and shorter-range missiles in Europe, partly to reinforce his weakening domestic political position, he is hard pressed to stick with his earlier hard line towards Moscow. This is especially so when scepticism about US policies and leadership is being fostered by Mr Gorbachev's success in presenting a favourable image to the West.

US economic problems, and the nation's weakened capacity to lead, also left a mark on the communique. When it comes to spending money, on helping Third World debtors, or boosting the capital of the World Bank, it is Washington—with its budget problems and the pressure the Democratic Congress is exerting on the foreign aid budget—which is having to drag its feet.

The other summit leaders have had to accept therefore that such issues as the world bank capital increase or the strengthening of the International Monetary Fund's structural adjustment facility, cannot be done as quickly as some would want. But the reference to the possibility that the World Bank's "financial stability" might require a capital increase and the deadline for approving the structural adjustment facility expansion show that these are issues which the other summit leaders believe need to be addressd urgently.

The statements out of the summit thus provide little for Mr Reagan in his efforts to rally his conservative supporters—supporters who will be needed to push an arms control accord through the Senate. They will do little either to damp down right-wing criticism of European failure to support the US enthusiastically.

But European governments know that conservative strength is on the wane that Mr Reagan's effectiveness as President is fast declining, and that now might be an opportune moment to encourage those in the US who have been more sympathetic to European concerns.

US stand on AIDS rejected

BY STEWART FLEMING

The BROAD outline of the Reagan Administration's recent stand on AIDs was rejected implicitly yesterday at the Venice summit.

Saying that efforts to combat AIDS needed to be intensified and made more effective through international co-operation, a chairman's statement on AIDs was issued in Venice saying that the attack on the disease had to be based on the principles of human rights.

The statement went on to say that in the absence of a vaccine or cure "a strategy based on educating the public about the seriousness of the AIDS epidemic, the way the AIDS virus is transmitted and the practical steps each person can take to avoid acquiring it or spreading it" is needed.

After a fierce debate within the Reagan Administration, the President last month announced that the federal government would require testing of people for AIDS where it had authority such, as in prisons or dealing with immigrants.

Where it lacked such authority, the Administration said it would encourage AIDs testing, for example in the case of couples seeking a marriage licence.

The Administration has also avoided placing emphasis on practical education to combat AIDS by instructing children about the use of condoms. Conservatives in the White House have maintained that this would encourage immorality and could tend to weaken family ties.

Countries in surplus promise action to strengthen domestic demand

THE FOLLOWING are edited extracts of the summit communique:

❝ We remain determined to pursue policies for growth, stability, employment and prosperity for our countries and for the world economy . . .

Macroeconomic policies and exchange rates

Since Tokyo, the summit countries have intensified their economic policy coordination with a view to ensuring internal consistency of domestic policies and their international compatibility. This is essential to achieving stronger and sustained global growth, reduced external imbalances and more stable exchange rate relationships. Given the policy agreements reached at the Louvre and in Washington, further substantial shifts in exchange rates could prove counterproductive to efforts to increase growth and facilitate adjustment. We reaffirm our commitment to the swift and full implementation of those agreements.

We now need to overcome the problems that nevertheless remain in some of our countries.

The correction of external imbalances will be a long and difficult process. Exchange rate changes alone will not solve the problem of correcting these imbalances while sustaining growth. Surplus countries will design their policies to strengthen domestic demand and reduce external surpluses while maintaining price stability. Deficit countries, while following policies designed to encourage steady low-inflation growth, will reduce their fiscal and external imbalances.

We call on other industrial countries to participate in the effort to sustain economic activity worldwide. We also call on newly industrialised economies with rapid growth and large external surpluses to assume greater responsibility for preserving an open world trading system by reducing trade barriers and pursuing policies that allow their currencies more fully to reflect underlying fundamentals.

Among the summit countries, budgetary discipline remains an important medium-term objective and the reduction of existing public sector imbalances a necessity for a number of them.

Structural policies

We also agree on the need for effective structural policies especially for creating jobs. To this end we shall:

- promote competition in order to speed up industrial adjustment;
- reduce major imbalances between agricultural supply and demand;
- facilitate job creating investment;
- improve the functioning of labour markets;
- promote the further opening of internal markets;
- encourage the elimination of capital market imperfections and restrictions and the improvement of the functioning of international financial markets.

Multilateral surveillance and policy coordination

The heads of state or government agree that, if in the future world economic growth is insufficient, additional actions will be required to achieve their common objectives. Accordingly, they call on their Finance Ministers to develop, if necessary, additional appropriate policy measures for this purpose and to continue to cooperate closely to foster stability of exchange rates.

The heads of state or government endorse the understandings reached by the Group of Seven Finance Ministers to strengthen, with the assistance of the International Monetary Fund (IMF), the surveillance of their economies using economic indicators including exchange rates, in particular by:

- the commitment by each country to develop medium-term objectives and projections for its economy, and for the group to develop objectives, and projections that are mutually consistent both individually and collectively; and
- the use of performance indicators to review and assess current economic trends and to determine whether there are significant deviations from an intended course that require consideration of remedial actions.

'If in future world economic growth is insufficient, additional actions will be required to achieve common objectives. Acordingly, finance ministers will develop, if necessary, additional policy measures for this purpose and continue to co-operate closely to foster stability of exchange rates.'

The heads of state or government consider these measures important steps towards promoting sustained non-inflationary global growth and greater currency stability. They call upon the Group of Seven finance ministers and central bank governors to:

- intensify their coordination efforts with a view to achieving prompt and effective implementation of the agreed policy undertakings and commitments;
- monitor economic developments closely in cooperation with the managing director of the IMF; and
- consider further improvements as appropriate to make the coordination process more effective.

Trade

We note rising protectionist pressures with grave concern. The Uruguay Round can play an important role in maintaining and strengthening the multilateral trading system, and achieving increased liberalisation of trade for the benefit of all countries.

Basing ourselves on the ministerial declaration on the Uruguay Round and on the principles of the Gatt, we call on all contracting parties to negotiate comprehensively, in good faith and with all due despatch, with a view to ensuring mutual advantage and increased benefits to all participants. Canada, Japan, the US and the European Community will table a wide range of substantive proposals in Geneva over the coming months.

Agriculture

We reaffirm our commitment to the important agreement on agriculture set out in the OECD ministerial communique of May 13 1987; in particular, the statement of the scope and urgency of the problem which require that a concerted reform of agricultural policies be implemented in a balanced and flexible manner.

We underscore our commitment to work in concert to achieve the necessary adjustments of agricultural policies, both at home and through comprehensive negotiations in the Uruguay Round.

In order to create a climate of greater confidence which would enhance the prospect for rapid progress in the Uruguay Round as a whole and as a step towards the long-term result to be expected from those negotiations, we have agreed, and call upon other countries to agree, to refrain from actions which, by further stimulating production of agricultural commodities in surplus, increasing protection or destabilising world markets, would worsen the negotiating climate and, more generally, damage trade relations.

Developing countries and debt

We attach particular importance to fostering stable economic progress in developing countries, with all their diverse situations and needs. The problems of many heavily indebted developing countries are a cause of economic and political concern and can be a threat to political stability in countries with democratic regimes. We salute the courageous efforts of many of these countries to achieve economic growth and stability.

We recall the target already established by international organisations (0.7 per cent) for the future level of official development assistance and we take note that overall financial flows are important to development. We strongly support the activities of international financial institutions, including those regional development banks.

- We support the central role of the IMF through its advice and financing and encourage closer co-operation between the IMF and the World Bank, especially in their structural adjustment lending;
- We note with satisfaction the contribution made by the Eighth replenishment of the International Development Association (IDA);
- We support a general capital increase of the World Bank when justified by increased demand for quality lending, by its expanded role in the debt strategy and by the necessity to maintain the financial stability of the institution;
- In the light of the different contributions of our countries to official development assistance, we welcome the recent initiative of the Japanese Government in bringing forward a new scheme which will increase the provision of resources from Japan to developing countries.

For the major middle-income debtors, we continue to support the present growth-oriented case-by-case strategy. Three elements are needed to strengthen the growth prospects of debtor countries: the adoption of comprehensive macroeconomic and structural reforms by debtor countries themselves; the enhancement of lending by international financial institutions, in particular the World Bank; and adequate commercial bank lending in support of debtor country reforms.

There is equally a need for timely and effective mobilization of lending by commercial banks. In this context, we support efforts by commercial banks and debtor countries to develop a "menu" of alternative negotiating procedures and financing techniques for providing continuing support to debtor countries.

Measures should be taken, particularly by debtor countries, to facilitate non-debt-creating capital flows, especially direct investment.

We recognise that the problems of some of the poorest countries, primarily in sub-Saharan Africa, are uniquely difficult, and need special treatment.

For those of the poorest countries that are undertaking adjustment effort, consideration should be given to the possibility of applying lower interest rates to their existing debt, and agreement should be reached, especially in the Paris Club, on longer repayment and grace periods to ease the debt service burden. We welcome the various proposals made in this area by some of us and also the proposal by the managing director of the IMF for a significant increase in the resources of the Structural Adjustment Facility over the three years from January 1, 1988. We urge a conclusion on discussions on these proposals within this year.

On Afghanistan, emphasis was placed once again on the need to keep up pressure so that the Afghan people can very soon determine their own future in a country no longer subject to external military occupation.

It was noted that the presence in Kampuchea of foreign troops continues to be an obstacle to the peace and tranquillity of South-East Asia.

In the Pacific, newly-independent island states are faced with difficult economic situations. We have stressed the need to support their development process in conditions of complete freedom from outside political interference.

In Asia, we agreed that particular attention should be paid to the efforts for economic reform undertaken by China. We reviewed the situation in the Korean peninsula, in the belief that the next Olympic Games may create a climate favourable to the development of a more open dialogue between north and south. In the Philippines, the democratic government is involved in a courageous attempt at economic and social renewal which deserves our support.

As regards Africa—a continent with enormous potentialities but facing extremely serious economic, social and political problems—we viewed the situation in South Africa with particular concern. We agreed that a peaceful and lasting solution can only be found to the present crisis if the apartheid regime is dismantled and replaced by a new form of democratic, non-racial government. There is an urgent need, therefore, to begin a genuine dialogue with the representatives of all the components of South African society. ❞

Nato ministers likely to endorse Gorbachev stance on missiles

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN REYKJAVIK

NATO Foreign Ministers are confidently expected to give a positive joint response to Mr Mikhail Gorbachev's proposal to eliminate all Intermediate-range Nuclear Forces from Europe at their two-day spring meeting which opens in the Icelandic capital today.

After two months of hesitation and misgivings, the major European members of the Alliance — West Germany, France and Great Britain—have finally come round to the US view that the opportunity offered by the Soviet leader might never occur again and was too good to be missed.

Though the US Administration has repeatedly stressed that it did not want to rush its allies into making up their minds, there can be little doubt that they have come under considerable pressure from Washington since the visit of Mr George Shultz, the US Secretary of State, to Moscow last April.

On that occasion Mr Gorbachev, in a surprise move, expanded his offer to eliminate longer range (1,000 km to 5,000 km) weapons from Europe to include 500 km to 1,000 km missiles as well—the so-called "double zero option."

While Britain and France after some delay came out in favour of this, the West German cabinet remained sharply divided until the beginning of this month between Chancellor Helmut Kohl's Christian Democrats and the Free Democrat coalition partners, represented by Mr Hans-Dietrech Genscher, the Foreign Minister.

Mr Genscher strongly favoured the "double zero option" but the Chancellor and his supporters felt that it would leave West Germany unduly exposed to a Warsaw Pact attack and at first insisted that any Euro-missile deal should include all missiles with a range below 500 km.

As part of a compromise between the two West German coalition partners, that position was subsequently watered down with Bonn no longer insisting on an automatic connection betwee an INF deal and the elimination of the shortest range missiles.

Lord Carrington, the Nato Secretary General, who said yesterday that an Alliance decision on the Soviet offer was now "within reach," was also convinced that "a form of words" could be found to accommodate the West German position on short-range weapons.

The final communique is thus expected to stress in general terms that follow-on negotiations on the abolition in Europe of short-range nuclear weapons should be held after the conclusion of an INF agreement without, however, establishing a timetable or a formal link between the two sets of talks.

The other major remaining obstacle to an INF deal is Nato's insistence that West Germany's stock of 72 Pershing 1A missiles with a range of 720 km, should be excluded from a deal under which all US Pershing 2 and cruise and Soviet SS20 missiles would be removed from Europe. The Nato argument is that while the Pershing 1A warheads are under US control, the missiles belong to West Germany, and are therefore considered "third party systems" in the context of the bilateral US-Soviet arms control negotiations in Geneva.

Moscow, on the other hand, has been adamament that Pershing 1As must be covered by any INF agreement.

The ministers are also due to discuss how to pursue East-West negotiations on conventional arms control, a process which has been deadlocked for the past year mainly because of procedural disagreements between the US and France over a forum for the talks.

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Uzbek chief finds no peace in the grave

By Patrick Cockburn in Moscow

THE BODY of Mr Sharaf Rashidov, for 24 years leader of the Soviet Central Asian Republic of Uzbekistan, has been removed from its prominent burial place as a sign of his final disgrace.

Mr Rashidov died in 1983 just before the exposure of widespread corruption in Uzbekistan, including fraudulent exaggeration of the cotton crop, led to an extensive purge of party and state officials which is still going on.

The party last year posthumously stripped Mr Rashidov, who was a non-voting member of the politburo, of all honours after he was denounced for corruption, servility, fraud and nepotism. His body is now to be removed from its tomb in the centre of Tashkent, the capital of Uzbekistan which has a population of 18m and is the largest of the five Soviet Central Asian republics.

"The time has come to call things by their real names. It was necessary to rebury the remains of the so-called Leninist," the Soviet weekly Literaturnaya Gazeta said yesterday.

The heads of all the other Central Asian republics have been sacked since 1983, the removal of the last, Mr Dinmukhamed Kunaev, the leader of Kazakhstan, provoking riots in the republic's capital of Alma Ata last December.

Some 2,600 officials in Uzbekistan have been sacked, fined or otherwise disciplined in the drive against corruption and incompetence, the Communist party daily Pravda said.

Among those expelled from the party last year was the prime minister of Uzbekistan between 1971 and 1984, Mr Narmakhonmadi Khudaiberdyev, the most important Soviet official after Mr Rashidov. The local party leadership said that together the two men falsified the figures for cotton of which Uzbekistan is the Soviet Union's largest producer.

"This gave rise to a system of padding of results, deception of the state, whitewashing, bribery, embezzlement of state funds on a particularly large scale, and other self-serving abuses," according to a report by the new Uzbek leadership.

In an effort to keep up the momentum of the drive against alcohol, the Soviet authorities have held a special conference on the two-year-old campaign which was addressed by Mr Yegor Ligachev, the most senior member of the politburo after Mr Mikhail Gorbachev, the Soviet news agency Tass said yesterday.

The politburo is clearly concerned that the drive against alcohol is running out of steam, although Mr Yevgeny Chazov, the Minister of Health, said last month that the death rate in the Soviet Union had dropped from 10.6 to 9.7 per 1,000 people over one year because of the clamp down on drinking.

US presidents visiting West Germany can no longer rely on receiving adulation, writes **Leslie Colitt**

Young Berliners prepare hot reception for Reagan

PRESIDENT Ronald Reagan will speak to West and East Germans tomorrow about his "vision" of a Berlin and Europe without walls and barriers.

He will deliver his speech from a strategic position at the symbolic Brandenburg Gate in West Berlin, near the Soviet war memorial. The choice of venues, made months ago, was remarkable.

Earlier this week thousands of angry young East Germans chanted "the wall must go" from the eastern side of the Brandenburg Gate. East Berlin policemen, wielding batons, drove them from the border from where they wanted to hear rock musicians play outside the nearby Reichstag, the former German parliament in West Berlin.

President Reagan could not have asked for a more poignant demonstration of the impact on Berlin of the 25-year-old wall. But the young East German rock fans also displayed their political acumen by chanting the name of the reform-minded Soviet leader "Gorbachev, Gorbachev" outside the Soviet embassy near the Brandenburg Gate.

Thus, they made it clear that their opposition to the wall did not automatically ally them with the Reagan Administration.

The President's address at the Berlin Wall is unlikely to have anything like the stirring effect of the late President John F. Kennedy's "Ich bin ein Berliner" speech in June 1963. Times have changed. Today, a mass "peace demonstration" organised by more than 120 organisations is to be held in West Berlin. Some 10,000 policemen, including 1,000 reinforcements from West Germany have been mobilised to prevent the Presidential visit from being submerged in violent anti-Reaganism.

The authorities have not forgotten that during Mr Reagan's last visit to the city in 1982, pitched street battles between the police and masked youths resulted in nearly 300 injuries and heavy damage to property.

Most West Berliners disapproved of such outbursts against the leader of the City's main protective power. Those who experienced the Soviet blockade of the city in 1948 and the division of Berlin have traditionally supported every American President. But this is not true of the younger generation in West Berlin.

City officials this week braced themselves for the worst from an estimated 1,000 anarchistic young "chaotics" in West Berlin who they claim were behind the severe inner city riots last May Day.

Finishing touches for the platform from which Mr Reagan will speak

Former President Richard Nixon was the last US leader to be cheered by hundreds of thousands of West Berliners in February 1969. Both Presidents Carter and Reagan were isolated from all but carefully selected groups of West Berliners during their visits.

By comparison, Queen Elizabeth II's visit to West Berlin last month was all the more remarkable. West German commentators noted the relaxed atmosphere and the personal contacts she was able to have with crowds of jubilant West Berliners.

Despite their superficial Americanisation, younger West Berliners remain deeply mistrustful of US aims abroad. The US-Soviet negotiations to eliminate medium-range missiles from Europe appear to have done little to convince them otherwise.

Allied officials in West Berlin are particularly concerned about the alienation of the younger generation of West Berliners from the Western allies—the US, British and French—in the city.

It is the result they believe of the absence of any direct threat to West Berlin by the Soviet Union since the signing in 1971 of the four-power Berlin agreement. Many young West Berliners, the allies note, question the rationale of the Western allied presence in West Berlin

Undeniably Mr Eberhard Diepgen, West Berlin's self-confident young Christian Democrat governing mayor, has also unnerved the allies. Mr Diepgen was eager to accept an invitation from Mr Erich Honecker, the East German leader, to attend East Germany's celebration in East Berlin next October of Berlin's 750th anniversary. The allies, however, suspected this was a clever East German ploy to gain the mayor's recognition of East Berlin as the capital of East Germany—something the West until now has refused to do.

Before coming to Europe, President Reagan was advised that caution and close consultations between West Berln, Bonn and the three Western allies—France, Britain and the US—were essential in the efforts to achieve detente between East and West Berlin. Preserving the post-war four-power status of Berlin, he stressed, was vital for the freedom of West Berlin.

Mr John Kornblum, the senior US diplomat in West Berlin, last week picked the theme by criticising the Prime Ministers of West Germany's states for allegedly conducting their "own inner German policy." This was a pointed reference to their frequent trips to East Berlin for talks with Mr Honecker, which have greatly disturbed the Western allies.

China and E Germany restore party ties

By Our Berlin Correspondent

CHINA'S Prime Minister and acting Communist leader, Zhao Ziyang, formally reactivated relations between the Chinese and East German Communist parties during a visit to East Germany which ended yesterday.

Zhao, who is the most important Chinese politician to visit Eastern Europe since the late Chou En Lai in 1954, is on a five-nation tour of the region.

East Germany froze its government and party relations with China after the ideological split between Moscow and Peking in 1961. Over the past year, however, Moscow's East European allies have managed to improve their political relations with China faster than has the Soviet Union.

Mr Erich Honecker, East Germany's leader, was the first to accept Peking's offer to restore party relations which in Communist countries are more important than those between governments.

In a banquet toast to Mr Honecker, Zhao repeatedly urged European nations "East and West" to develop closer ties with each other. Diplomats regarded this as an indirect reply to Soviet efforts to bring about closer integration within Comecon. China and East Germany are to triple trade under a five-year agreement to 1990 to SFr 4.8bn (£1.95bn)—China's trade with Eastern Europe is calculated on the basis of the Swiss currency.

Zhao began his visit to Eastern Europe this week in Poland where he said a "dynamic development" had taken place in relations. Polish-Chinese trade rose sharply last year to SFr 1.5bn and China has become an important market for the Polish vehicle industry.

Today he begins a visit to Czechoslovakia and will then go to Hungary and Bulgaria.

Pope speaks up for Poland's farmers

BY CHRISTOPHER BOBINSKI IN WARSAW

A STRONG plea on behalf of Poland's private farmers was made yesterday by Pope John Paul, who reiterated the Roman Catholic church's support for farmers' right to have their own free trade union.

The call came at a mass in Tarnow in south-eastern Poland where about 1m people, mainly from rural areas, came to see him beatify Caroline Kozka, a 17-year-old peasant girl killed while resisting rape by a Russian soldier in 1914.

To ripples of delighted applause the Pope implicitly criticised past attempts at collectivisation and demanded that any such lingering threat be removed from the private farming sector which owns about three quarters of the land. He recalled the 1981 agreement between the Government and farmers' delegates which paved the way for formal recognition of free trade unions in the countryside. It also sought to establish equal treatment for *private and state farms.*

"These agreements should not go unmentioned and should now be implemented," he said, adding to his prepared text: "The Pope could not let them go unmentioned even if he were not a Polish pope, but all the more as he is."

The authorities currently give preference to state farms in alloting fertilisers and machinery even although official statistics show they perform less effectively than peasant smallholders. The Government has prevented the church setting up a $28m farm fund to help private agriculture, which would have been unique in East Europe, to help redress the balance and improve food supplies.

Such strong support for the farmers suggests that Pope John Paul may speak in Gdansk tomorrow of the agreement signed there in 1980 which gave rise to the now banned Solidarity movement. Four years ago, on his second trip to Poland as Pope, he was prevented from going to Gdansk by the Government in case of trouble.

On Saturday, the Pope travels to another working-class area—the textile town of Odz—and his seven-day trip reaches a climax with a church service in Warsaw on Sunday before he returns to Rome.

In Tarnow the Pope's gesture to the farmers and his demand for a "productive and independent" farming system will provide a strong boost for Solidarity in the countryside where it is much weaker than in the towns. It also underlines the church's traditional support for Poland's private farmers who in turn are the backbone of support for the clergy.

Athens yields on siting of alumina plant

BY ANDRIANA IERODIACONOU IN ATHENS

THE Greek Government has yielded to pressure from international and local environmentalist groups and abandoned plans to build a $500m alumina plant in co-operation with the Soviet Union close to the archaeological site of Delphi.

Instead the plant, which is still at the planning stage, is to be located at Domvraina, about 50 miles south east of Delphi on the Bay of Corinth.

What finally led the Government to revise its plans was a statement by the Greek Central Archaeological Council that the plant would endanger Delphi and its environment.

The Delphi area was chosen originally over Domvraina because it was an area considered to be more in need of new jobs. Both locations are close to port facilities and to the bauxite mines which are to provide the raw material for an annual projected production of 600,000 tonnes of alumina.

The entire output will go to the Soviet Union under an agreement finalised last April. The plant is to be built over five years and will create more than 700 jobs. Construction had been scheduled to begin last month. Greek officials estimate the change of location will delay the start by two or three months.

The row over the site is the latest in a series of delays which have dogged the project since the late 1970s.

Aero-engine consortium 'will not withdraw from market'

BY PAUL BETTS IN PARIS

THE FIVE-NATION consortium, International Aero Engines, which groups Rolls-Royce, Pratt & Whitney, three Japanese companies, MTU of West Germany and Fiat Aviazione, firmly reiterated yesterday its determination to stay in business despite recent highly-publicised problems over the development of a new V-2500 Superfan engine.

Mr Nicholas Tomassetti, the chief executive of the aero-engine consortium, used an address to the Financial Times conference on international collaboration in aerospace in Paris to set, in his words, "the record straight," on the recent difficulties of IAE.

"*We are not withdrawing* from the market and our partners are not at war with each other," he said, adding that "IAE is not going out of business." Speculation over the consortium's future intensified after IAE decided to drop its V2500 Superfan engine project for the planned new Airbus A-340 because of difficulties meeting delivery times and technical reasons.

Mr Tomassetti claimed that the V2500 medium thrust engine for the Airbus A-320 150-seater airliner was the most advanced turbofan aero-engine being developed. IAE's new engine will become available for the A-320 in 1989 and the consortium will meet customer commitments, Mr Tomassetti said.

But he acknowledged that the group has had problems although they were not "fatal." One of the big problems, he explained, was the lack of a lead shareholder in the group in which Rolls-Royce and Pratt & Whitney both have the biggest individual shares with 30 per cent each.

"It was diplomatic to have the two principal shareholders as equals. But it was a management nightmare having, for example, the engineering department in England and marketing and other functions 3,500 miles away n the US," Mr Tomassetti said. "The problem that was ducked in the early days was to get one shareholder to accept leadership without the other losing ownership."

This had been corrected. Pratt and Whitney, with the full agreement of Rolls-Royce, is leading the development programme and co-ordinating it with the other four shareholders. All IAE is now located at East Hartford in the US, except for field offices with Boeing, Airbus and McDonnell Douglas, Mr Tomassetti said.

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International Aerospace Collaboration

The difficulties in international aero-engine co-operation were underlined by Mr Lee Kapor, the vice-president and general manager of commercial engine operations at General Electric. He expressed regret that Rolls-Royce had decided to pull out from a programme with the US group to develop a joint big thrust engine after Rolls-Royce decided to develop its own engine. "The partnership was dissolved to reflect competition rather than co-operation," Mr Kapor said. "This was most unfortunate."

He emphasised that partnerships must be built around a specifically defined set of business criteria and objectives embraced by both partners.

In contrast, GE's partnership with Snecma of France had been highly successful. "Our current programmes promise to take this co-operative arrangement well beyond the year 2000, Mr Kapor said.

In the military engine field, collaboration prospects on the engine for the new European Fighter Aircraft look promising. "With more than 2,000 engines required, the programme will last well into the next century and provide significant work load in each of the participating nations," said Mr Colin Green, managing director of Eurojet Engines.

This consortium groups Rolls-Royce, *Fiat, MTU* and Sener of Spain to build the new EJ-200 engine for the European fighter. Mr Green also expects in the longer term to find applications in other airframes for the EJ-200.

On collaboration in space, Mr Jack Leeming, the director of policy and programmes at the British National Space Centre, said the European Space Agency ministers would meet in November to decide on longer-term programmes.

Mr Hugh Pope, chairman of the aerospace and defence group of Smiths Industries, described the ingredients for successful collaboration in avionics. These included long-term partnership arrangements, an understanding of the strengths and weaknesses of each partner, an understanding of the ambitions of each, and a readiness to change position on differing projects.

Speakers yesterday also included Mr John Wagg, director of military engines at Rolls-Royce, Mr Jean-Claude Malroux, vice-president of Snecma, Mr Robert Wolfe, vice-president of small engines at Pratt & Whitney, Mr Robert Zincone, president of Sikorsky Aircraft, and Mr Raffaello Teti, chairman of Gruppo Agusta.

Angola pursues new strategy on payments crisis

Tony Hodges reports on a unique attempt to ease a nation's economic problems

ANGOLA is proposing a novel market-based strategy for debt restructuring to Western export credit agencies (ECAs) to ease the nation's payments crisis caused by the fall in oil earnings.

The plan, which includes a 15 year floating rate notes issue for about $1bn, partly guaranteed by the ECAs, is designed to obviate the need for rescheduling. It brings the ECAs, the Euromarket and the oil companies into a complex refinancing operation.

Mr Augusto Teixeira de Matos, the Angolan Finance Minister, has been in Europe recently outlining the proposal to the ECAs. He met the Export Credits Guarantee Department in London, and called on the secretariat of the Paris Club of official creditors.

Regarded as under-borrowed until the steep slide in oil prices just over a year ago, Angola, which relies on crude oil for about 90 per cent of its exports, suddenly faced acute payments pressures last year. Arrears built up to the tune of $378m, including $220m owing to Western ECAs.

Two additional guarantees are built in. The first is an oil guarantee, under which international oil companies with Angolan interests would ensure oil deliveries to the value of $75m. Second, "to enable this operation to be offered to the market," the Finance Minister is requesting the ECAs to part-guarantee the notes, "to an extent matching, dollar for dollar, the benefits the Export Credit Agencies will receive" from the payment of arrears and pre-payment of 1987-89 principal.

Anglola's central bank, the Banco Nacional de Angola, will use the funds raised by the notes issue to acquire zero coupon bonds to the value of $250m, to pay off the $220m owed to Western ECAs for 1986 arrears and to pre-pay about $400m of insured non-oil related 1987-89 maturities. The balance of about $130m constitutes "fresh money."

In addition to part-guaranteeing the notes issue, the ECAs are being requested by the Finance Minister to make up the interest differential if the proposed interest rate (1 per cent above Libor) rises above the OECD consensus rate (7.4 per cent).

For Angola the benefit of the proposal is that it would provide much better terms than a classical debt rescheduling operation, in addition to by-passing the complications arising from non-membership of the IMF. The strategy provides for four years debt restructuring (including the 1986 arrears) and repayment after 15 years. Angolan officials project that debt service obligations would be brought down to 28 per cent of merchandise exports this year and 20-23 per cent in 1988-89.

To clear these arrears in full and meet this year's scheduled debt service of $638m ($442m in principal and $196m in interest) would devour 54 per cent of projected merchandise export earnings of $1.88bn, according to Angolan officials. A continuing hump in principal repayments will strain Angola's payments capacity in 1988-89.

A classical rescheduling exercise through the Paris and London Clubs, linked to an IMF programme, is excluded since Marxist Angola, unique among African countries, is not an IMF member. However, Mr Teixeira de Matos does want the ECAs to provide multilateral official backing to Angola's refinancing operation.

In a document circulated to the ECAs, the finance minister says that Angola plans to raise long term funds on the Euromarket to "immediately settle the problem of the arrears" and pay off in advance a large part of principal repayments falling due between 1987 and 1989. Oil industry debts, on which Angola has been scrupulous in making scheduled payments, are excluded.

The $1bn floating rate notes issue will be guaranteed, the minister says, by "high quality zero coupon bonds, with present value set in such a manner that they will generate at the end of fifteen years the full amount of the capital which has been mobilised."

** Tony Hodges is author of Angola to the 1990s: the Potential for Recovery, recently published by The Economist Intelligence Unit.*

UK orders Iran to remove two more envoys

By Andrew Gowers, Middle East Editor

BRITAIN yesterday ordered Iran to remove two staff members from its London embassy as the tit-for-tat diplomatic row between the two countries took another turn for the worse.

The Foreign Office said it had made the move because it wanted to establish the principle of "strict numerical reciprocity" in diplomatic missions between Tehran and London.

Iran has until June 24 to decide which two members of staff to remove. British officials, informing the Iranian chargé d'affaires in London, Mr Akhundzadeh-Basti, of their decision, emphasised that they were not expelling anyone in particular but merely imposing a numerical ceiling on Iranian representation in London.

The British decision stems from the row over the violent abduction two weeks ago of Mr Edward Chaplin, first secretary in the British interests section under the Swedish flag in Tehran, which led to the closure last week of the Iranian consulate-general in Manchester and Iran expulsion at the weekend of five members of the British interests section.

Those two moves left Britain with only 13 diplomats in Tehran out of a permitted total of 14, and Iran with 18 in its London embassy out of a permitted 19.

London has been especially angered by this imbalance since it now has no political officers in Tehran apart from its chargé d'affaires, no commercial officers and no Farsi speakers. "They too the guts out of our interests section, and maintianed a fully-functioning embassy of their own in London," one official said.

Britain now wants to re-establish relations on the basis of 16 diplomatic posts each, which would require Iran to allow an additional two posts.

But officials said the Iranians had been warned that if there was further retaliation, "the whole question of their activities here will be looked at again."

The Foreign Office is taking a particularly close look at Iran's three arms procurement offices in London, which employ around 60 people

India's line on Sri Lanka has roused fears, John Elliott writes

Setback for Gandhi the peacemaker

INDIA'S relations with its neighbours in South Asia have suffered a sharp setback during the past week since its invasion of Sri Lanka's air space and its attempt to dictate the terms of the small island's battle against its Tamil extremists.

The international image of Mr Rajiv Gandhi, India's Prime Minister, as a leader of the Non-Aligned Movement wanting peace and harmony in his region, has also taken a severe knock.

The factors behind Mr Gandhi's sudden aggressive stance stem basically from India's permanent paranoia about its unity being destabilised by external forces operating through neighbouring countries. These countries have always known that India wants to dominate the region, and have even feared that ultimately it might invade them. Mr Gandhi's domestic political image is also in urgent need of repair.

Last week these factors came together when India, fearing Sri Lanka's Tamil crisis could upset stability in its southern state of Tamil Nadu, sent jet fighters and cargo planes over the island's northern Jaffna peninsula to drop relief supplies, with an implied threat of further action later.

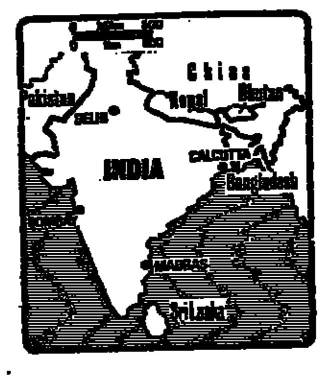
The regional fear of India's hegemony was strongest when the late Mrs Indira Gandhi, who seemed to care little about the sensibilities of her neighbours, was Prime Minister. She unilaterally annexed the tiny Himilayan kingdom of Sikkim on India's north east borders in the early 1970s and, before that, India had taken over the former Portuguese and French colonies of Goa and Pondicherry.

But Mr Gandhi appeared to put the regional fears at rest and declared shortly after coming to power: "We will be judged by how well we can get on with our neighbours." He helped launch the South Asian Association of Regional Co-operation 18 months ago, and India is the current chairman. The new hopeful mood of friendly inter-dependence was dubbed the "SAARC spirit."

Whatever is left of that spirit will be demonstrated in the next week when foreign secretaries and ministers of SAARC hold a regular meeting in New Delhi. Sri Lanka has not yet decided whether to attend, and the other countries are considering mounting a united condemnation of India's actions.

India, however, is suspicious of almost all its neighbours. As a diverse patchwork country of 740m people of varying religions, languages and traditions, it believes that it is intensely vulnerable to destabilisation by foreign countries which could upset its various minorities, especially those with separatist interests on the rim of its territory.

The spectre of a "hidden foreign hand" is regularly paraded by the political leaders to unite the country and to divert attention from domestic problems—but there is a geo-political reality behind this constant crying of "wolf."



India is particularly suspicious of the policies of the US, operating partly through neighbouring Pakistan. This is linked to its problems with China, with which it lost a war 15 years ago and is now having fresh border clashes. Now, Pakistan, and to a lesser extent China, are helping arm and equip the Sri Lankan forces to fight the Tamil extremists on the Jaffna peninsula. These Tamils have close links with 50m Tamils in Tamil Nadu.

India fears that widesrpead bombing and Tamil civilian deaths in Jaffna, or an unsatisfactory forced settlement of the basic Tamil ethnic issue, could lead to disturbances in Tamil Nadu which itself once had its own separatist movement. (On a domestic level, Mr Gandhi also needs the political support of the state government of Tamil Nadu, particularly in India's presidential election next month.)

Faced with what many of its leaders and diplomats believe are foreign attempts to destabilise it and to slow down its economic and polictiacl development into a global power, India emerges as a proud loner.

"The world has never stood on our side when we have been in trouble — look at what happened over Kashmir with Pakistan or the war with China. If we always waited for clearance certificates from the world, we would never protect our interests," says one senior Delhi diplomat.

Such attitudes impede regional co-operation. Pakistan believes India has never, and will never, accept the reality of its creation by partition in 1947. Nepal knows India would like to dominate it entirely, to the exclusion of China to the north. Bhutan which, like Nepal, has China on its northern broader, has settled for a dependent relationship with India, knowing the alternative would probably be political upheaval encouraged from India and possible eventual Sikkim-style annexation.

Bangladesh has no direct confrontation, but there are border tensions because refugees from its Chittagong hill tracts and from its north western areas, cross into India's north-east state.

Mr Gandhi's invasion of Sri Lankan airspace has shown that nearly two-and-a-half-years of experience as Prime Minister has taught him to abandon his good neighbourly ambitions in favour of blatant displays of superior military power when he or India feels threatened.

Jaffna offensive over, Sri Lanka tells India

BY JOHN ELLIOTT IN COLOMBO

SRI LANKA yesterday formally told India it had ended its military offensive, called Operation Liberation, against Tamil Tiger extremists on the northern peninsula of Jaffna. The operation was started late last month after four years of mounting violence on the island.

"It will be one to one-and-a-half months before we would consider anything else." Mr Abdul Shahul Hameed, Foreign Minister, said last night after he had informed Mr J. N. Dixit, India's High Commissioner in Colombo, that the operation had been "completed."

But there was confusion in Colombo last night about the Government's precise intentions. Earlier in the day Gen Cyril Ranatunge, head of the armed forces, said the operation had only been "suspended" and that what happened next would "depend on the situation."

Mr Dixit told Mr Hameed that he had not yet received any evidence of the operation stopping and that he would judge results by "what happens on the ground." On Monday, High Commission officials said they believed that a second phase of the operation had started.

Sri Lanka's announcement was in line with the views of moderates in the Cabinet, apparently backed by Mr Junius Jayawardene, the president, who on Tuesday spoke to a parliamentary group in Buddhist terms of non-violence, while condemning India's "path of violence and bullying."

Mr Lalith Athulathmudali, National Security Minister, yesterday broached the idea of talks on the basic Tamil ethnic crisis and added that if there was a peace initiative, the next military step would "not be necessary."

This suggests that the Government has decided not to proceed for the time being with a fresh phase, even though most of the military gains of the past three weeks have only been along Jaffna's northern coastal belt.

There were, however, still lingering suspicions last night that operations might quietly continue, or be restarted in some areas after an easing of the tensions with India.

Reports were received in Colombo of continued fighting in two areas of the peninsula on Tuesday, even though Mr Athulathmudali said that had been the "first day the army has not made an advance."

Meanwhile, talks start in Colombo today between Mr Hameed and Mr Dixit on what are called the "modalities" for India to supply more relief aid to Jaffna.

Japan has insulted Deng, says China

By Robert Thomson in Peking

CHINA has accused Japanese officials of insulting the Chinese leader, Deng Xiaoping, by suggesting that his position on foreign policy is "detached from reality."

In a widening of the rift between the two countries, a Chinese Foreign Ministry official said yesterday that offence has been caused by several statements, in particular, that of a senior Japanese Foreign Ministry official who allegedly suggested that Deng's recent comments on Sino-Japanese relations "don't grasp the essence" of the issue.

In fact, the Chinese official said, Deng has made "earnest" and "well-meaning" observations, and the "malicious" attack on him is a breach of "basic diplomatic etiquette."

China has lodged a formal protest over the comments, and the official news agency, Xinhua, warned that the "Government and people cannot tolerate this grave incident."

Relations between China and Japan have soured since the dumping in mid-January of the Communist party chief, Hu Yaobang, who has been accused by party conservatives of being too ready to forgive Japan's wartime behaviour.

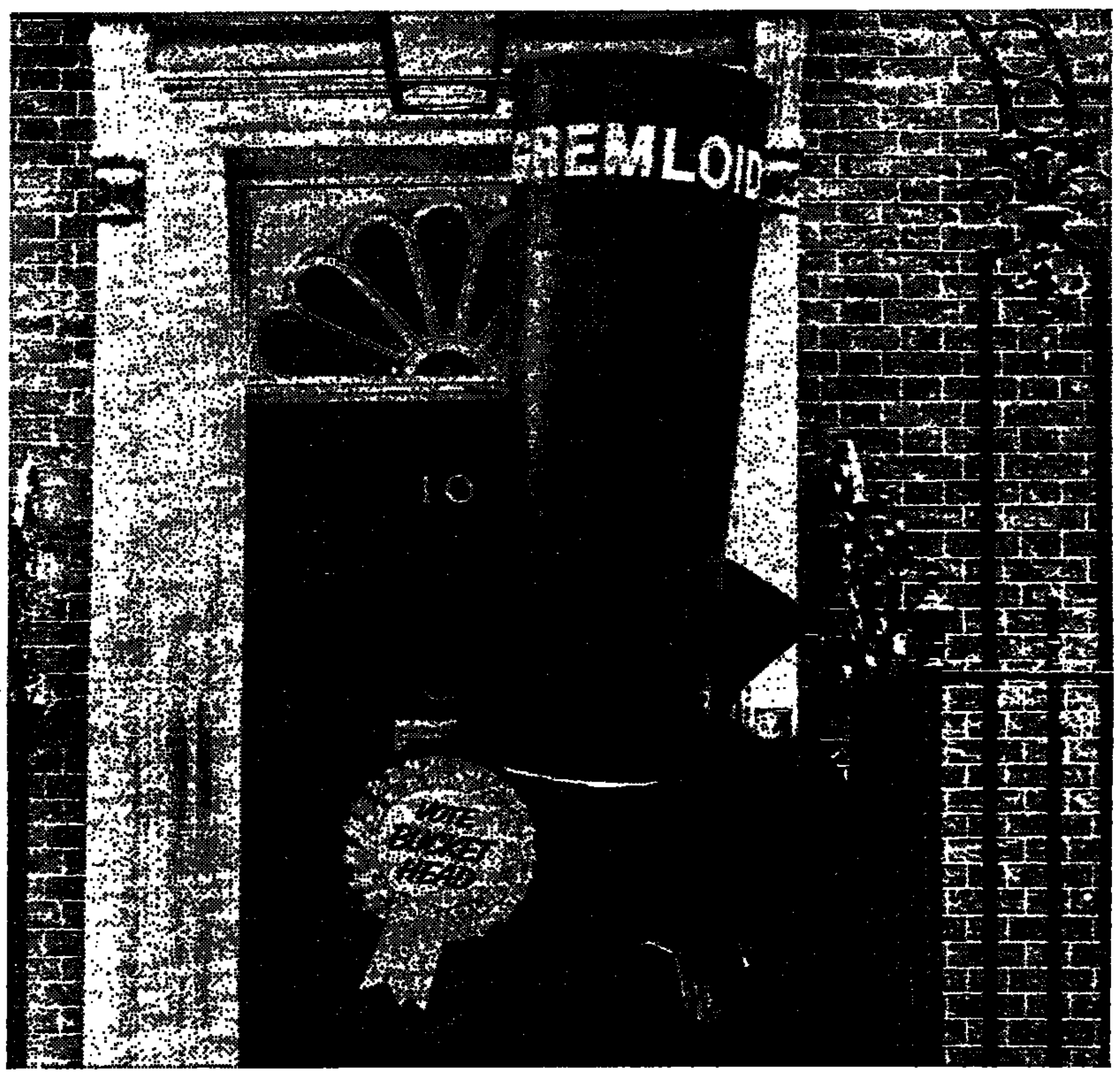
In recent weeks, China has accused Japan of exploiting their trade relationship, of satisfying "militarists" by increasing defence spending, and of refusing to transfer hig technology needed for China's development.

The Chinese also have claimed that a Japanese court's decision to award a Chinese student dormitory in Kyoto, Japan, to Taiwan, has ruptured the Sino-Japanese friendship treaty.

Chinese officials have attacked Japan almost daily since the February judgment, and warned of serious consequences if the Japanese Government does not intervene in the case.

Peking claims that the decision has created "two Chinas" and challenges its sovereignty.

The Chinese assault on Japan is expected to intensify in the week leading up to July 7, which will mark the 50th anniversary of an incident just outside Peking that prompted the Japanese invasion of China.



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WORLD TRADE NEWS

EC nears deal to ban dangerous 'food' products

BY WILLIAM DAWKINS IN LUXEMBOURG

EC CONSUMER affairs ministers moved close yesterday afternoon to agreeing two separate proposals to ban the sale of dangerous food like imitation products and to set simplified EC-wide standards for toy safety.

The first was being held up, as the meeting continued into the early evening, by West Germany's refusal supported by Britain to accept that a European Commission committee should enforce the ban. That should be left to member states, argued Bonn.

The hitch immediately provoked a critical reaction from Beuc, the European Bureau of Consumer Unions. "The Germans are taking the attitude that if their consumers are safe enough then so be it. We shall be taking this up with them," said Mr Tony Venables, Beuc's director.

However Commission officials were cautiously optimistic that an accord could be reached before the meeting closed. The Commission had already dropped plans opposed by most member states to extend the ban from food imitations to non-food imitation products.

Ministers also moved closer to agreeing Commission proposals for streamlined toy safety rules which were proposed last October to replace the detailed draft regulations that had been entangled fruitlessly in technical debate between national officials since 1979.

The system now on the table is the second and by far the most important example of the Commission's so-called new approach whereby member states are asked to agree the broad outline of performance and safety standards and leave the fine technical details to be drawn up by national standards bodies.

The tmain barrier to a final accord on toy safety yesterday was a proposal by the Itlalans to ban most toys containing dangerous chemicals which most of its EC partners argued were already controlled by other laws.

Spain was also pressing to exclude toy guns from the directive because it wanted to impose a national ban on their sale to stop model guns being used in hold-ups.

Kier set to lose $200m Turkish hydroelectric deal

BY PETER MONTAGNON, WORLD TRADE EDITOR

A CONSORTIUM led by Kier International of the UK, which was until recently regarded as the frontrunner for a contract to build a $200m hydroelectric power station at Yamula in Turkey, has been outbid by a local group and yesterday looked set to lose the deal.

The probable loss of the contract is seen in industrial circles as a psychological blow to Turkey's efforts to persuade foreign contractors to offer projects on the so-called build-operate-transfer (BOT) scheme which it has been seeking to pioneer internationally.

The Kier consortium, which also includes Asea of Sweden and Bekir-Halil Celik of Turkey is the only one so far to have gained cover commitment from the Export Credits Guarantee Department for a BOT scheme. ECGD had offered $40m in cover and Sweden's EKN $60m.

In common with other export credit agencies ECGD views BOT schemes, which involve contractors putting up equity for the scheme and operating it until he has made a return, with considerable suspicion, but it had decided to test the water with the Kier proposal because it was regarded as unusually well thought-out.

The Kier group has, however, been outbid by a local consortium involving the mayor of nearby Kayseri which is to use East European equipment for the project and has offered a substantially lower price.

If as expected Kier loses the deal, this does not necessarily signal a death blow to BOT

US-Canada trade talks to pick up momentum

By Peter Montagnon, World Trade Editor

TALKS BETWEEN Canada and the US on a free trade agreement are likely to move into top gear later this month when the US tables draft proposals for a final agreement.

The proposals, which are expected to come as a disappointment, at least initially, to the Canadian negotiating team, will fall well short of granting Canada the freedom from US retaliation in trade disputes that it has been demanding. Ottawa is however, likely to be offered some form of special treatment in dispute settlement.

A main thrust of the US proposals is likely to be the gradual elimination of all tariffs on trade between the two countries in return for which Canada would be asked to open up its economy fully to US investment and to its service industries.

Trade officials say the heat is now on in the talks between the two sides as the US will lose its "fast track" negotiating authority if it does not present a draft agreement as a means of providing security for its exporters in the US market. The US was initially reluctant, but pressure from business is now growing with the formal launch earlier this week of a lobby group comprising over 175 companies which is called the American Coalition on Trade Expansion with Canada.

US businessmen hope the talks will result in an agreement that will not only open up the Canadian market but also serve as a model for solutions to some of the new issues and investment that are now under scrutiny in the broader Uruguay round of multilateral trade liberalisation talks.

IMF urges Seoul to open markets

An International Monetary Fund team urged South Korea yesterday to open its markets wider and remove trade barriers to limit the growth of its balance of payments surplus, Reuter reports from Seoul.

Nick Garnett explains why the Commission has been asked to monitor imports

EC toolmakers fear Japanese onslaught

EUROPEAN machine tool builders, worried that the Japanese are about to mount another major attack on their domestic markets have asked the EC Commission to start a formal monitoring exercise on Japanese imports.

The request, made by Cecimo, the European committee for co-operation in the machine tool industry, falls short of an anti-dumping investigation. But members of Cecimo, which has just held its half-yearly meeting in Portugal, believe that Japan is switching more of its export effort to Europe following curbs on machine tool imports into the US announced in December.

"We are very concerned now that the Japanese will make another assault in Europe" says Mr Pierluigi Streparava, president of Ucimu, the Italian machine tool builders federation.

Japan is the world's largest machine tool maker with 24 per cent of sales in 1986, measured in US dollars.

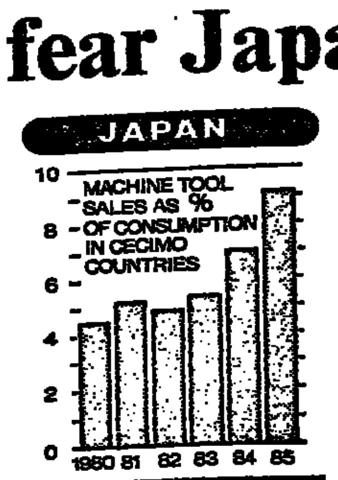
Its companies are already big exporters to Europe with 9.1 per cent of the European market in 1985, up from 4.9 per cent in 1982. On one estimate Japanese sales in the EC have jumped from Y20bn ($143m) in 1980 to Y90bn last year.

A clutch of Japanese producers including Moriseiki, Hitachi, Yamazaki and Okuma have taken large slices of the market for computer numerical control machining centres and lathes, the basic types of metal cutting machine tool.

In some European countries they already have more than 50 per cent of the market for these machines which account for 80 per cent of Japanese sales in Europe.

Even in West Germany, the world's number two manufacturer with 17.7 per cent of world sales and still the world's biggest exporter, the Japanese have taken 35 per cent of machining centre sales and 21 per cent of the lathe market.

The US is by far Japan's largest export market. Japanese producers, virtually unknown



in the US in the late 1970s, stormed North America at the turn of the decade and now have an estimated 77 per cent of US lathe sales.

As a result many US producers virtually collapsed and the North American share of world sales has been cut in half during the past six years to less than 10 per cent.

For some types of machines, US curbs—which have also been applied to other producers, including the West Germans and Swiss—will reduce Japanese imports to 1982 levels.

This turbulence in export markets has come at a time of worry for machine tool companies in Japan and Europe that sales will decline this year.

Some Japanese machine tool companies, which have watched their margins squeezed by the high value of the yen now operate grossly underloaded factories, partly because their domestic market is saturated with new equipment.

The Europeans believe Japanese machine tool sales are down by around 15 per cent worldwide but there is every sign that they intend to hold onto market share in their main markets.

In the first three months of this year the order book for West Germany's machine tool companies was down by 24 per cent and Italian and British industries are witnessing falling orders.

Prices for machine tools, already weak in Europe have been recently unsettled at the bottom end of the technology range by very low cost imports from Taiwan, whose exports to the US were cut by 10 per cent in the same batch of "voluntary" restraints effectively imposed by the US at the end of last year.

Of the main European machine tool manufacturing countries only the Swiss who have cornered the market for many types of specialist machines have a positive trade balance with Japan.

Belgium imports almost eight times as many machining centres from Japan as its domestic manufacturing industries consume. Cecimo believes the rest of these machines are being rerouted to other parts of Europe.

The picture of Japanese imports has been clouded by the start up this year of a Yamazaki production plant in Worcester, England capable of producing 1,200 lathes and machining centres a year.

Manila passes investment code

BY RICHARD GOURLAY IN MANILA

THE PHILIPPINE cabinet yesterday approved in principle a long awaited package of incentives to encourage foreign and local investment including tax holidays on selected projects for up to eight years.

President Corazon Aquino said she will sign the code into law before she loses her power to legislate by decree on July 27 when a newly elected Congress sits.

The package simplifies nine existing pieces of incentive legislation into one "omnibus" code but, apart from the tax holidays and tax breaks for companies creating jobs, has relatively few changes.

Yesterday's approval ends the delay of nearly a year in producing the code which has added to uncertainty among potential investors. It also ensures that the code will not become bogged down in further discussion in the new Congress.

The delays resulted from the drafters being, at times, both too ambitious and too meddlesome. The code will not now allow new companies compulsory arbitration of strikes in their first two years of operation—effectively a strike ban—as an earlier draft envisaged.

Aquino—acting fast

Nor will companies have the immediate right to repatriate capital, as previously proposed.

However, the Board of Investments, made up of senior economics officials, has diluted its power to decide how large an industry should be and limit the number of players to prevent "overcrowding." This led to the creation of monopolies in the past and has been sharply criticised as government interference in market forces.

The BOI will, however, stop offering incentives for a sector if it considers enough investors have been attracted in that area. The eight year tax holiday will apply to "pioneer" industries—high technology and investments in industries that open up new sectors. The five year tax holiday will be available to companies moving into "priority" areas — including job creating, agribusiness and export industries. These investors will also be able to import capital equipment free of duty.

The government's growth targets of 6-7 per cent a year over the next five years are critically dependent on an upturn in investment. The economy grew by over 5 per cent in the first quarter this year, after 2.1 per cent growth last year.

Economists say it is mainly consumer led, sparked by government spending and relatively high prices for coconut products. Bankers say there are only limited signs of major new investments on the horizon.

Mr Jose Concepcion, Trade Secretary, said he hoped the new incentive would help reverse the decline of foreign investment which fell sharply over the past three years.

Brazil in top level talks on high speed train link

BY IVO DAWNAY IN BRASILIA

THE BRAZILIAN transport ministry has made high level informal contacts with foreign governments over the possible purchase of a high speed train system to link Rio de Janeiro with Sao Paulo.

Progress on the project, long dreamed of by successive governments, accelerated this month with the announcement by President Jose Sarney of a special viability committee to look into the scheme.

There remain considerable doubts, however, as to whether the deeply troubled Brazilian economy could afford to finance a new 700km line. A plan to build a 1,600 km $2.4bn North-South railway has already attracted widespread criticism over usefulness and cost.

Estimated costs for the high-speed Rio-Sao Paulo link range from $900m for a version of British Rail's 125 mile per hour train to up to $3bn for France's more rapid TGV. Other countries known to have submitted proposals for the line are Japan, with two studies based on the so-called bullet train, and Spain.

A transport ministry official said yesterday that the work of the committee should be completed this year, when a report recommending whether the scheme should or should not go ahead will be published.

He could not confirm, however, a newspaper report that discussions have been held with France on the possibility of a $500m loan to support its bid. With federal financing now under tight budget constraints, it is believed that the bulk of funding for the link would have to come from the private sector.

Both domestic and foreign investment in Brazil is at a standstill due to inflation raging at some 20 per cent a month and interest rates in many cases in excess of 1,000 per cent a year.

Nevertheless, the need for improved communications between Rio and Sao Paulo — Brazil's two greatest population centres — is increasing daily. Some independent observers believe the three options open to the Government are either an improved rail route, a new motorway, or an updated fleet of shuttle aircraft.

AMERICAN NEWS

Fresh pressure on Sarney to cut term of office

BY IVO DAWNAY IN RIO DE JANEIRO

CENTRE-LEFT and left-wing members of Brazil's constitutional assembly are stepping up pressure to cut President Jose Sarney's term of office, despite the president's insistence that the issue is now closed.

Wrangling over the presidential mandate last month provoked Mr Sarney to declare unilaterally that he would accept a one-year reduction in his term to five years in exchange for an end to the debate.

The surprise move split the majority Democratic Movement Party with the left remaining set on a four-year term, giving elections next year, and the centre and right favouring an accommodation with the president.

But with the economy in turmoil and mounting criticism of the government for lack of leadership, the left has now returned to the offensive.

On Monday, the delegate to the key constitutional committee in charge of the issue ignored the PMDB party leadership and again recommended four years and a parliamentary, as opposed to presidential, system of government.

The move was said to have been described as treachery by Mr Ulysses Guomaraes, the PMBD president, who has been desperately seeking to unite his supporters around five years.

However, the row was rapidly followed by a multi-party meeting of all those backing direct presidential elections, at least by November 1988. All the parties of the left, including the two small communist parties and the union backed Workers Party, were represented as well as PMDB left-wingers. They agreed to co-ordinate a nationwide campaign to back the four-year proposal.

There appears to be a majority within Congress in favour of a five-year term. Rallies to back rapid elections have also proved lacklustre. But this could change rapidly if the degeneration in Brazil's economic performance continues unabated.

Already several influential figures, including Mr Franco Montoro, the former governor of Sao Paulo, and Mr Mario Covas, PMDB leader in the Constitutional Assembly, are public supporters of a reduced term.

Mexico's foreign exchange reserves at record level

BY DAVID GARDNER IN MEXICO CITY

MEXICO'S foreign exchange reserves are at their highest ever levels at $13bn, it was announced yesterday.

This coincides with record levels of inflation, now running at an annualised rate of 125 per cent, and the lowest levels of output for decades.

The figures emerged at yesterday's annual conference of the nationalised banking system, attended by the entire economic policy-making establishment, and sparked an unusually public debate about the merits and dangers of reflation.

Last year's sharp fall in growth of 3.8 per centage points was induced by the collapse in the price of oil, Mexico's main export The lack of new foreign credit to offset the $8.5bn oil revenue loss forced the government to monopolise bank credit, raise interest rates to historic levels, devalue by 148 per cent and raise sharply the prices of public sector goods and services.

This took Mexico to the brink of hyper-inflation; prices rose 105.7 per cent in 1986. Paradoxically, therefore, now that Mexico has received the first $3.5bn of its two-year, $12-$14bn new finance agreement with creditors, and last year's "emergency" policies have induced over $6bn in capital repatriation, the authorities are agonising over their embarrassment of foreign exchange riches.

If these resources are monetarised too quickly, official thinking goes, Mexico could sail over the hyper-inflation brink to which last year's foreign exchange starvation brought it.

Alfonsin has yet to win "due obedience" from the armed forces, reports **Tim Coone** in Buenos Aires

Argentina's democracy struggles to tame the military

THERE ARE essentially two views on the future course of Argentina's democracy. One is that the armed forces have been assuaged by the "due obedience" law passed by the Congress last week, and that the violence of the past will remain just that—a thing of the past. The country can move on to becoming a modern stable democracy, and the Military will remain in their barracks and cease to intervene in the civil affairs of state.

The other view is that the Military have simply won just the first battle of a sustained offensive. This will eventually restore them to a position of authority in Argentine society which will make them once again the ultimate arbiters of political change and economic policy, regardless of the wishes of any elected government.

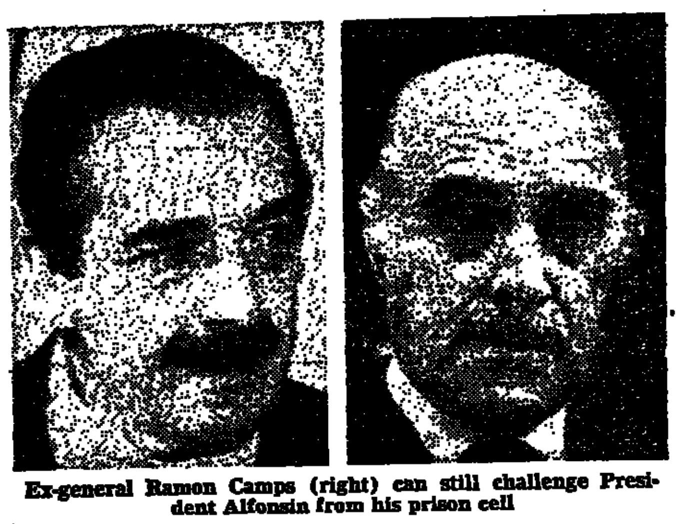
It is admitted by ruling Radical Party leaders that there exist significant extreme right-wing elements within the armed forces. Those same elements have considerable power and influence within the officer corps. Some, although by no means all, were at the heart of the Easter Military rebellion which squeezed the "Due Obedience" law concessions out of the government and sent half of the Army High Command into retirement.

Only two of the rebel leaders are under arrest, and they are likely to be tried by a Military court rather than a civilian one, with every likelihood that they will be given light sentences and later returned to active duty. This is despite the fact that their actions amounted to mutiny under the terms of military law.

On the other hand, under new regulations, the approximately 7,000 members of the officer corps are now obliged to swear their loyalty to the constitution "to the death" if necessary. A stream of declarations have been made in recent weeks by senior ranks professing their loyalty to the system of democratic government. But in the words of Rear Admiral Ramon Arosa, the head of the Navy, "the navy values the eloquence of facts rather than words, however sincere they may be."

An element of farce during last month's loyalty-swearing ceremony serves to illustrate the magnitude of the problem facing the Government to bring the Armed Forces back under firm civilian control. At one barracks in the south of the country, after the senior officer had read the precedings and called on the junior officers to swear their oath of loyalty, he was confronted by a wall of silence. After a lengthy and embarrassing pause, during which the senior officer began to wonder whether he should inform his headquarters that another rebellion had broken out, a junior officer finally cleared his throat and said, "Sir, we have never seen a copy of the constitution, and we don't know what we are being asked to swear to."

More disturbingly, the Armed Forces show no willingness to



Ex-general Ramon Camps (right) can still challenge President Alfonsin from his prison cell

accept that their strategy to eliminate a generation of political militants on the centre-left under the guise of fighting guerillas, was in any way immoral or wrong.

On the contrary, the speeches of military chiefs in recent weeks (including that of Rear-Admiral Arosa) have been tough and uncompromising, seeking to legitimise and glorify the strategy rather than accept it as a shameful blot on the institution's history. Officially, 9,000 persons are listed as missing following abduction by security forces between 1976 and 1983. Unofficially the figure is put as high as 30,000.

Critics of the Government's policy warn that the military's demands, although limited now to military affairs, may extend next to Defence policy, or later to the appointment of a Cabinet Minister or an issue of economic policy.

President Alfonsin's repeated reassurances to trust in his judgment and that the concessions to the military now are necessary "for the health of the nation" as he said this week, are counterpointed by judiciously leaked articles to the Military's allies in the press. These give every indication that the problem is far from resolved.

Later this month, or in early July, the trials will be resumed. The "Due Obedience" law has absolved all junior and middle ranking officers on human rights charges, and the original 370 facing trial has now been reduced to some 50 senior officers. The army has let it be known, however, that the junior officers might refuse to testify as witnesses against their superiors. By being absolved of responsibility for their crimes, they cannot refuse to testify under a "fifth amendment" argument, arguing that to do so would incriminate themselves. They may therefore simply refuse to appear in court

The issue could still be as volatile and contentious as putting the junior officers themselves on trial.

The self-justification and esprit-de-corps within the Army is based on a definition of the "Dirty War" almost in terms of a Holy War, in which Conservative, Christian Western values were pitted in a struggle to the death against atheist, alien values of the East. The logical conclusion of this argument is that the torture and elimination of political prisoners is justified when the end is to prevent any change, whether by democratic or revolutionary means, of the fundamental conservative and Christian ethos of society.

One of the leading exponents of this ideology is ex-General Ramon Camps, now serving a life sentence, but who still has articles regularly appearing in the Press. Last month he argued that "an occupation army of Gramscian Marxists" controls the present Argentine Government. (Gramsci was the Italian intellectual father of Euro-Communism). His son is presently a fugitive, accused of responsibility for a recent wave of bomb blasts and membership of a Right-wing terror cell which includes active members of the police and military.

The Government's strategy in the face of military pressure and intransigence, is to try to conserve the fundamental elements of Democracy, in the hope that time will heal the wounds and allow the system to consolidate. Significantly, following the Easter crisis, President Alfonsin once again started to talk pointedly of a "transition to democracy," rather than one which was firmly on its feet and sure of its destination.

He is nonetheless insistent that "due obedience," is the very last concession that will be made. He is insistent that the Military called to testify in the courts will appear, and he is equally insistent that the Military problem is now resolved. An amnesty, absolving all the remaining officers facing charges, will not be given. But if it becomes necessary, he hinted in private recently, "it will not be the Government that decides, but society itself." He thus rules out the possibility of Presidential Pardon.

Given the disagreement and disarray in radical party ranks over the Due Obedience Bill, the Congress is unlikely to be called upon to vote for an Amnesty. The final recourse is a referendum on the issue. Some observers believe that this may be the next step the Government is now considering.

Reagan limits aid to farm credit system

By Nancy Dunne

THE REAGAN Administration has offered to support a $5bn government line of credit for the farm credit system, $1bn less than the system managers have said is needed this year to prevent a collapse.

Mr Charles Sethness, an assistant treasury secretary, said the Federal bailout was contingent on management "reforms" to "current overlapping, overlayered, overprotected system."

The system still has $5.2bn in capital and $1.2bn in surplus, which the Administration wants to spend before any mail-out is approved.

Baldrige attacks Senate foreign investment move

BY NANCY DUNNE IN WASHINGTON

MR MALCOLM BALDRIGE, the US Commerce Secretary, yesterday labelled "extremely mischievous" proposed Senate legislation to impose a "national benefits test" on foreign investment in American industry.

He said it would . . . send a chilling message to foreign investors that their capital, technology and know-how, and management skills were not welcome. It was the kind of government practice the US had argued against as it sought to encourage its trading partners to remove barriers to investment.

The measure, under consideration by the Senate commerce, science and transportation committee, would require the Commerce Secretary to investigate proposed foreign investment

The report would go to the President who would be asked to evaluate the investment on the basis of a broad criteria of economic welfare—job losses, government revenues and loss of skills.

Mr Baldrige said: "No investor could come here unless they were prepared to discuss how many jobs they were going to create—or save, and what tax revenues they could generate."

Panama's army strongman sees off challenger

By Robert Graham

GENERAL Antonio Noriega, the military strongman of Panama, yesterday appeared to have over-ridden an unprecedented challenge to his authority by the former second in-command of the Defence Forces, Col Roberto Diaz Herrera.

Col Diaz last week was forced to retire after long standing rivalry with Gen Noriega. The colonel responded by accusing Gen Noreiga of rigging the 1984 elections, and complicity in the unexplained death of the opposition figure, Dr Hugo Spadafora in 1985.

Slower economic growth in Caribbean forecast

BY CANUTE JAMES IN KINGSTON

ECONOMIC growth in the Commonwealth Caribbean will slow this year to modest levels below last year's performance, according to the Caribbean Development Bank in its latest annual report on its 17 borrowing member countries.

It said the region would be under increasing pressure this year to continue servicing its foreign debt. "Not only is the debt service absorbing an increasing proportion of foreign exchange earnings and government revenue, but arrears in payments on debts have started to rise," the bank said.

The bank forecasts that the smaller countries of the Eastern Caribbean will record the more impressive growth this year. "Indications are that tourism will continue to expand and give a fillip to the construction sector," the report says. "Banana production should also expand further. On balance, manufacturing will remain depressed. Should the price of oil drift upwards, retail prices should rise."

Reviewing the performance of regional economies in 1986, the bank said these were stimulated by growth in the industrialised countries, increased banana production in the Windward Islands and increases in the tourism sector.

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Revenue may concede bank debt write-offs

BY CLIVE WOLMAN

INLAND REVENUE is likely to have to allow all the specific provisions that the clearing (retail) banks make this year against their Third World sovereign debts to be written off against tax, but only if the banks structure their write-offs carefully.

That, at least, is the opinion of several tax specialists in London who are dealing with the issue.

The total outstanding value of the debts of the UK clearing banks to Third World and other countries that have been forced to reschedule is about £15bn.

These debts have been trading in an increasingly active secondary market at an average discount to their face value of 35 per cent to 40 per cent.

However, the Revenue inspectors have generally been willing to allow write-offs of only 5 per cent to 10 per cent of the value of the debts to the largest debtors, such as Mexico, Brazil and Argentina, although Polish debts have been written down by 25 per cent to 30 per cent for tax purposes and Bolivian debts by 75 per cent.

The banks have not contested these relatively small figures because, until their 1986 financial year, they did not have any surplus UK taxable profits against which to offset the provisions, as a result of their leasing activities and their foreign tax credits. A foreign tax credit cannot be carried forward unless it is used up in the year in which it arises.

The only situation on which the Revenue's position is clear is that in which a bank actually sells its debts through the secondary market. In that case, the bank would be able to write off the entire loss against tax immediately.

However, if the bank holds on to the debt, it cannot automatically be marked down to the market value. The Revenue says that the secondary market value takes into acount the risk of default on both the interest payments and the repayment of the capital. But only in the second case, can the debt be written off against tax.

However, the banks could attempt to by-pass this problem by using a variety of devices to establish the market value of their Third World debts for tax purposes. One device that has recently been used by the Japanese banks is to sell the debts to another company jointly owned and controlled by all of them.

Alternatively, a bank might sell the debt to one of its wholly owned subsidiaries. In this situation, the normal legislative provisions on transfer pricing would apply. The transaction would be difficult to challenge, provided the debts were transferred at a genuine arm's length open market price – and in this case that would mean a 35 per cent to 40 per cent writedown.

The Revenue, however, might refuse to allow a full write-off on the basis that the banks had a continuing interest in the debts which were sold and that the company which received the debts was not engaging in its normal trade.

A simple way of avoiding this objection would be for the banks to sell their debts to each other at secondary market prices. Provided there were genuine changes in each bank's portfolio of Third World debt, the Revenue would find it difficult to challenge the arrangement on the grounds that it was undertaken purely for the purposes of avoiding tax.

According to Mr Richard Harris, senior tax manager at Price Waterhouse, the accountancy firm: "The arrangements would have to be extremely artificial for the Revenue to succeed with this type of argument."

Fight for winter holidays under way

By David Churchill

THE BATTLE for the winter-sunshine package holiday market begins today at a time when Britain's tour operators are facing a potentially disastrous shortfall in demand for this summer's overseas holidays.

Horizon Holidays, recently taken over by the Bass brewing group, is today launching its winter holiday brochures. Thomson Holidays and Intasun, the biggest tour operators, are expected to launch their winter brochures next week.

They are expected to join Horizon in keeping average prices at about the same level as last year, although prices for popular periods such as Christmas and school holidays are likely to be increased.

Horizon is increasing its holiday capacity by 50 per cent to reach 300,000 winter holidays, and both Thomson and Intasun are expected to increase their market share significantly. Last year about 2.25m winter holidays were sold, an increase of about 15 per cent on the previous winter.

Apart from the expected growth in the winter market, tour operators are also seeking a sharp increase in skiing holidays.

Strong gains in semiconductor market underpin recovery hope

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

THE UK semiconductor market registered further strong gains in May, lending support to industry forecasts of a significant recovery in deliveries this year.

If current trends continue, sales could be up by about 10 per cent on the £750m achieved last year. This figure would still be substantially short of the £950m generated in 1984, the high point for semiconductor industry revenues, when the industry was driven ahead by record demand from the personal computer sector.

However, manufacturers say they are happier with the current steady growth in demand, which avoids the sharp capacity constraints experienced in 1984.

According to the Electronic Components Industry Federation, the book-to-bill ratio – the standard measure of activity in the industry – rose to 1.34 last month compared to 1.09 in the same period of last year, and 1.17 in April.

The book-to-bill ratio compares the new orders being taken in by manufacturers to deliveries to customers. If the figure rises above 1, it is usually indicative of a resurgence in the market, as new orders exceed shipments.

The improvement in the UK market comes at the same time as a strong upturn in the US and signs of a similar recovery throughout Western Europe.

Manufacturers remain cautious about the strength to the market, however, partly because of fears of a setback in the US economy, and partly because the increase in sales is not being driven by a clearly identifiable user sector, such as personal computers in 1984.

World electricity costs 'fall'

BY MAURICE SAMUELSON

ELECTRICITY prices remain stable or have continued to fall in many parts of the world as a result of last year's oil price collapse, according to a survey of 11 countries published yesterday.

Nine of the countries showed average price reductions, the exceptions being Australia and West Germany, according to the annual comparison of electricity tariffs by National Utility Services (NUS), the tariff analysts based at Croydon, south of London.

Its survey uses data drawn from prices paid at more than 750,000 premises by clients advised by NUS on energy, water and telecommunications costs.

In the UK, consumers benefited from a reduction of just over one per cent, while a few intensive major users received preferential tariffs under the new agreement between the coal and electricity industries to bring them into line with their large European counterparts.

Other countries where prices had fallen or remained stable were Sweden, Canada, Belgium, the US, Italy, the Irish Republic, the Netherlands and France.

West Germany remained the most expensive electricity market in the survey, followed by Ireland – even after that country's 10 per cent fall in prices.

In a parallel survey of comparative telecommunications costs, the UK was found to have among the highest charges for local British Telecom calls, although trunk and international calls were far cheaper than most other countries.

Clearance for gas reactor in Scotland

By James Buxton, Scottish Correspondent

THE SOUTH of Scotland Electricity Board is now ready to go ahead with the final stages of commissioning the advanced gas-cooled reactor at Torness near Edinburgh.

Mr Donald Miller, the SSEB's chairman, said yesterday that the board was confident that it had solved the problem of oscillation in the reactor control rods which has affected both Torness and a similar plant at Heysham in north-west England.

The problem of oscillation or vibration was discovered at Torness last October. It was found in final testing that the control rods had been swirled round by the coolant gas in ways the designers had never intended and had suffered surface scoring by rubbing against other parts. It was the only serious difficulty shown in the tests.

Since then modifications have been made to the control rod guide tubes to regulate the flow of cooling gas over the rods. These modifications have cost about £1.75m per reactor for the four reactors, two at Torness and two at Heysham.

'Golden parachutes' cast a shadow on Extel takeover

BY CLAY HARRIS

IN THE contentious world of executive pay, almost nothing provokes as much instant outrage as "golden parachutes," with which highly paid directors prepare a well-padded financial landing for themselves should they be ejected from their jobs.

The board of Extel Group could not have been surprised, therefore, at the outcry that greeted the discovery that their service contracts had apparently been revised in their favour after the information and communications company escaped a break-up bid last year from Demerger Corporation.

Ironically, the contracts at Extel are much more in line with conventional practice than are those at United Newspapers, the newpaper and magazine publisher which this week clinched a £250m takeover of Extel.

The three top executives at United have no protection against dismissal except the statutory maximum of 12 weeks.

United itself said yesterday that it was "very premature" to comment on the contracts. "The fact is, they do exist. We haven't got to look at them in detail," said Mr Graham Wilson, finance director.

Most criticism has focused on the timing of the revision – when the imminence of some takeover bid, with hindsight, now looks so obvious. Extel denies, however, that any substantive changes were made in the contracts.

Mr Alan Brooker, chairman and chief executive, will in theory be owed more than £400,000 under a service contract at £95,000 a year which runs until August 24 1991, his 60th birthday and retirement date. His previous salary was £85,000.

Other directors' contracts can be terminated by Extel at three years' notice or by the individuals at six months' notice.

Mr Brooker said yesterday the contention that directors had changed six months' notice for three years' notice was based on a misreading of Extel's defence document against the United bid.

Extel directors had always had three-year contracts, he said. Formerly, an annual decision was made to roll them ahead by another year. Under the new wording, the annual decision is not necessary; the contracts last for three years until the termination date.

The former six months' notice (or one year in the case of Mr Brooker) applied to the end of the contract; the company still would have had to pay the director until the end.

All the executive contracts were decided by Extel's non-executive remuneration committee, headed by Mr John Barkshire, chairman of Mercantile House Holdings, the financial conglomerate. The committee seeks external professional advice about going rates and conditions.

Mr Brooker himself participates in determining the contracts of other executive directors.

This is conventional practice, according to management consultants. Nearly two-thirds of British companies now have remuneration committees.

The three-year notice period is also not uncommon for main board directors, according to one leading consulting firm.

Its recent survey of 217 public companies found that 48 per cent of chief executives had notice periods of three years or more, 18 per cent had three months or less, with the balance in between.

The figures were similar for other executive directors, with 54 per cent of deputy chief executives, 47 per cent of divisional directors and 40 per cent of functional directors (such as finance directors) having contracts of three years or longer.

United is firmly in the minority. In addition to Mr Wilson, Lord Stevens, chairman (paid £175,045 in 1986), and Sir Gordon Linacre, deputy chairman and chief executive, do not have service contracts.

"We like to make a virtue out of this, where possibly it's an omission," Mr Wilson said yesterday. Service contracts can reassure shareholders that executives are not going to leave at short notice.

One United main board director, Mr Clifford Jakes, has a service contract "for historical reasons." Divisional chief executives have notice periods of two years for the company and one year for the employee.

Financial services role for former ICI chairman

BY CLAY HARRIS

FORMER chairman of Imperial Chemical Industries (ICI) Sir John Harvey-Jones has been named non-executive chairman of Burns-Anderson, the Manchester company planning to transform itself into a diversified financial services group.

Mr Alan Moore, whose appointment as chief executive was also announced yesterday, said that Sir John would take an active role in promoting the independent financial services industry, including insurance and investment brokers.

His outstanding reputation for integrity would give a high profile to Burns-Anderson, Mr Moore said. "We want to attract the brightest and the best, and his involvement will help us."

Sir John, aged 63, retired in March after five years in the top position at ICI. He is also non-executive deputy chairman at Grand Metropolitan, the drinks and leisure group. Burns-Anderson will pay him £25,000 a year for an estimated two to three days' work a month.

Burns-Anderson was taken over in February by Dudley, a private company owned by Mr Donald and Mr Roy Richardson, the West Midlands property developers. Dudley has subsequently reduced its holding to about 52 per cent.

It is in the process of selling its Fiat dealerships, its office and shopfitting operation and its steel reinforcements division. Together these accounted for less than half of the company's pre-tax profits of £1.77m in the year to September 30.

Burns-Anderson will change its name after the disposals are completed. At present, it includes University, Medical and General, the financial planner where Mr Moore is managing director; the Manchester stockbroker W. Ireland Stephens; and hire purchase, licensed deposit taking and factoring subsidiaries.

MANAGEMENT: Marketing and Advertising

Congress preview

Paradox for Chinese admen

Robert Thomson reports on contradictory attitudes in Peking

IF DELEGATES to the third World Advertising Congress take the time to watch Chinese television or read the local press, they will realise that it is high-season for selling electric fans. And from those advertisements—cute girl, long hair tossed by manufactured breeze—the visitors will appreciate that the industry is still in its formative years.

The congress, which opens in the Chinese capital next week, comes as the adolescent advertising corporations are wondering whether they will have their activities curbed by a Communist Party suffering from a serious attack of ideology and intent on re-asserting its control at every level of Chinese society.

A campaign against "bourgeois liberalism"—which seems to mean western influence—has led to the formation of a new media monitoring bureau and the forced closure of several newspapers. Advertising officials here claim they will be unaffected by the anti-bourgeois drive, but diplomats think it inevitable that directives will be issued by the party in coming weeks.

It is fitting, therefore, that the headquarters of the advertising congress should be only a block away from the Communist Party's HQ, the Great Hall of the People, in the very heart of Peking. For China, the office has an unusual sense of urgency, with groups of employees gathering in huddles and then scurrying from the open-plan meeting area to their rooms.

One group is to decide which of the guests are sufficiently esteemed to be met at the airport, while others are pondering on how best to advertise the Advertising Congress, which claims there will be around 280 delegates from the Third World and 123 speakers during the five days from June 16.

The conference is jointly sponsored by South Magazine and the China National Advertising Association for Foreign Economic Relations and Trade, whose secretary-general, Wang Bo, looks like an advertising man. His suit is finely cut and his tie, unlike most ties in China, is in harmony with the rest of the outfit.

Wang says the Congress, organised long before the recent political turmoil, which saw the dumping of the Communist Party Chief, Hu Yaobang, will "help to develop the economies of developing countries and enlarge advertising in those countries"; so the party thinks it is a good idea.

Yet a key contradiction for the development of advertising in China is its role in, as Wang puts it, "arousing people's desire to buy products," while the party is now condemning the encouragement of consumption, which it believes has risen to a level beyond the country's means to supply.

A confidential internal Communist Party document explaining the forced resignation of Hu Yaobang cited his support for increased consumption as a serious error that contributed to the country's overheated economy. Conservatives, who played a major role in Hu's demise, are pushing for more central planning, which, if adopted, could mean a reappraisal of advertising's role.

Wang Bo explains that advertising has grown because there is less central planning, opening the way for a freer distribution of information about available products: "A really centrally-planned economy does not need advertising." (Officially, China now has a socialist planned commodity economy.)

Not surprisingly, advertising and advertising people were purged during the cultural revolution (1966-76). A slogan at the time was "advertising is capitalism." It was made respectable again in late 1978 by the third plenary session of the 11th People's Congress, the awkwardly-titled meeting that signalled the start of economic reform.

The industry has grown rapidly. In 1981, an estimated 10,000 people were employed by state and collectively-owned advertising corporations. By 1984, the figure was 50,000 and last year, about 80,000 people were working in advertising. Similarly, turnover was 115m yuan ($31.1m) in 1981, 360m yuan ($97.3m) in 1984, and 841m yuan ($227.3m) last year.

Wang Bo laments that the industry's image has improved more slowly: "Advertising agencies in some countries have good status and agencies in Japan have a very high status. Some people say it is the most fashionable business of all. In China, it is new, and people have just started to realise how important it is."

The problem is that conservative Communists are also beginning to realise advertising's influence and have already criticised the use of Western-style imagery. Lax standards that have given advertisers the freedom to claim that products can cure everything from impotence to baldness have provided opportunities for criticism of the industry as a whole.

Ren Zhonglin, director of the State Industrial and Commercial Administration, warned against "deception, exaggeration, and falsity," and explained that advertising, like art, must "serve Socialism": "It should be a means to help promote sound Socialist ethics and culture, as well as to spread economic information."

Advertising "arouses people's desire to buy products," but the party is condemning the encouragement of consumption

Normally, a manufacturer will approach an advertising corporation, many of which are linked to the Ministry of Foreign Economic Relations and Trade, and seek permission to place an advertisement. Each corporation has a quota of cadres who will decide if the company and its product are suitable, and will then pass the application on to the creative staff.

About 40 per cent of advertisements are for heavy machinery and industrial chemicals, which have little appeal for the average consumer, and yet are placed on prime-time television and in fashion and current affairs magazines — market targeting is still an unrefined art. And just under 30 per cent are for manufactured consumer goods such as watches, television sets and, particularly, electric fans.

Little Chef makes a meal of nostalgia

"YESTERDAY" is big business in the UK today, as the nostalgia boom currently underscoring the 1980s sends marketing folk burrowing into the past for ways to sell the present.

Levi set the pace when it re-revived two 1960s hit singles and watched the sales of its 501 jeans soar by 800 per cent. Ben E. King's "Stand by Me" and "When a Man Loves a Woman" by Percy Sledge, revived by advertising agency Bartle Bogle Hegarty in the Levi's commercial, have proved the oldies really are golden as 25 years after they first hijacked the public's imagination, they conquer a new generation.

Other products followed suit, most notably Pretty Polly with an up-dated rendition of Doris Day's Move Over Darling which accompanied a moody sketch of a young lady driver removing her stockings to use as a replacement for a broken fan belt.

Now Little Chef, Trusthouse Forte's roadside catering chain, is about to come bopping into our living rooms on the wings of a catchy hit released in 1964 when it became the country's most sought-after song. It is entitled, aptly enough, "Bread and Butter" and the band goes by the distinctly beatnik name of the New Beats.

Larry Henley, the original lead singer, would scarcely recognise the words: "I'd like eggs and bacon, I'd like toast and jam, I'll have a prawn salad because we're all Little Chef fans." So says the family in the commercial as it orders a meal from the waitress.


Monique, the waitress who features in Little Chef's 40-second commercial which breaks on Monday.

Other satisfied customers, including a pensioner, a couple of health addicts and a businessman, follow suit, thus emphasising the varied menu and underlining the Little Chef's point of difference, food cooked to order.

Little Chef's strategy is to widen its appeal in an attempt to attract a hard core of non-users who have yet to venture through its doors. Many motorists believe the chain is a hamburger or takeaway outlet.

For a relative newcomer to television—this is Little Chef's third TV campaign—the catering chain has obviously learnt the lesson of making itself heard in public. Competition is fierce in the roadside catering field, and the longer licensing laws open the way for brewers, for instance, to challenge existing chains. "It's a very healthy sector with a tremendous number of new entrants," says Vivien Szitasi, sales and marketing director of THF's roadside catering division.

The advertising campaign is also designed to set Little Chef's 300 nationwide outlets apart from THF's other roadside chain, Happy Eater.

The campaign from Yellowhammer breaks on television on Monday with a 40-second commercial. The budget for this summer burst is £900,000. An autumn burst is planned with a budget of £650,000, but "this may go up," says Szitasi.

The catchline "Big Choice," used in the commercial to apply to the varied menu and style of service will be rolled out to highlight other areas of Little Chef's operations in a campaign that is intended to run and run — what admen call "a campaign with legs."

The brief to the Yellowhammer agency was a familiar cry. Make it memorable, bright and lively. And show the strength of a wide menu range. This is an attempt, says Szitasi, to break away from Little Chef's safe, reliable and dullish image. The audience is "middle Britain."

It will be hard to tell what impact the campaign has on the flow of traffic since it coincides deliberately with the holiday season, the busiest time of the year. However, one party sure of a winner is Warner Brothers which is releasing the original hit single "Bread and Butter" to coincide with the campaign. It is predicting another blockbuster, which it hopes will reach the top five.

Feona McEwan

Putting the message in a new medium

A COUPLE of years ago a farmer who grazed his dairy herd near a busy highway just outside Toronto hit upon the notion that his cattle could carry commercial messages on their backs. However, the idea never really caught on and it certainly didn't cut the cost of milk to consumers. But what it did show was that there is never any lack of ingenuity in finding a medium for the message.

The latest medium that marketers seem poised to pounce upon is the home video cassette recorder, which urban dwellers are more likely to see than they do cows. In North America close to 50 per cent of homes are expected to have a VCR by the end of the 1980s, according to industry estimates in the US and Canada.

"With VCR penetration up to 60 per cent in mid-upscale consumer groups, and the home video industry rivalling cinema box-office revenues, serious consideration and experimentation is warranted by forward-looking advertisers," says Stephen Rosenblum, director of media research, Young and Rubicam, Toronto. "This is underscored by the fact that many VCR owners tend to be elusive, lighter-than-normal, viewers of traditional broadcast television," he says.

Already some of the major marketers are active in the area; Pepsico, General Foods, Procter and Gamble, AT&T, and Johnson & Johnson are among the early runners using home video.

The most publicised example was the sponsorship of the movie "Top Gun" by Pepsico. In return for sharing the $8m US marketing campaign, Pepsico was able to insert a short commercial in the Paramount Pictures' movie. With a price reduction attributed to Pepsico's sponsorship, Top Gun is claimed to have had the largest advance sales in video's short history.

Advertising in movies may generate large audiences, but have low repeat viewership, so spots need to be both entertaining and short, says Rosenblum.

However, in the growing special interest programmes, which are generally purchased rather than rented, longer messages can be sustained in the form of "infomercials."

This was the approach taken by AT & T in the video "How to Really Start Your Own Business," where AT & T placed an infomercial at the end of the segment on telemarketing, making it appear to be part of the programme.

High production costs can often be avoided by taking existing programmes under the sponsorship wing as General Foods did with "Shortcuts." This series of vignettes on food preparation was originally produced for cable TV and re-packaged for GF as home video.

Sponsorship offers the opportunity to show products being used naturally. A series of four camping tapes developed in association with Boy Scouts of America had GF's Tang drink, Cutter Insect Repellent, and the association for recreational vehicles makers as co-sponsors. The sponsors also became involved in the marketing and distribution of the tapes. GF, for instance, offered the $14.95 tapes at half price with one Tang label.

Procter and Gamble has also sponsored videos based on cable programmes: "What every baby knows," "Newborn Baby," and "Advice for new Fathers."

Johnson and Johnson, the household and baby products group, maintains an in-house department in the US to develop original home-video programmes on pre- and post-natal care and other subjects relevant to J and J products.

"As a sponsorable medium, home video offers a wide range of programme variations to appeal to virtually any population segment," says Rosenblum. Such targeting offers qualified consumers with less audience waste, since the audience is self-selecting: teens for music video, "how-to" programmes for fitness freaks, do-it-yourselfers, serious sports amateurs, young corporate Turks, etc.

Rosenblum believes that going after specialised audiences in particular market segments could result in a vibrant direct response business, with freephone numbers included with the packages and on the video, "particularly for high-ticket (price) consumer and personalised business products."

With all the hardware and software in place, the only missing element is audience research. Rosenblum believes that this problem will be partly resolved by the wider use of people meters, hand-held devices linked to a computer recording not only the programme being watched but also the age and sex of the viewer.

Tony Thompson

UK NEWS

Ford car output rises by 51% in first quarter

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD'S car output in the UK rose almost 51 per cent in the first quarter this year compared with the same months of 1986. In contrast, car production by state-owned Austin Rover fell more than 5 per cent.

The figures reflect not only Ford's advance in Britain's new car market this year but also its determination – following the steep fall in the value of the pound last year – to build more vehicles in the UK rather than import them from its factories in West Germany, Belgium and Spain.

In 1985 about 55.9 per cent of the Ford vehicles sold in the UK were built at Dagenham, Essex, in south-east England, or Halewood on Merseyside in the north-west.

This increased to 64.2 per cent last year and Mr Bill Hayden, vice-president, manufacturing, Ford of Europe, said recently that, if productivity improvements were maintained, Britain should be able to supply 75 per cent in 1987.

General Motors, the Vauxhall group, is also cranking up UK production under pressure from currency realignments and the British Government.

However, compared with Ford's 50.75 per cent increase in car output to 99,960 in the first quarter this year, GM managed a more modest 13.6 per cent rise to 47,956 at its plants in Luton, north of London and Ellesmere Port on Merseyside.

Austin Rover's relatively poor showing in the production statistics, published in the Society of Motor Manufacturers and Traders' Monthly Statistical Review, follows a disappointing performance in the UK new car market where its share fell from 17 per cent to 16.5 per cent in the first three months of 1987.

Austin Rover's first-quarter output was 5.3 per cent down at 104,709 where total UK car production rose 11.6 per cent to 283,233.

However, the company has been doing better in some export markets and its managing director, Mr Les Wharton, recently predicted that Austin Rover's output of cars and light vans would reach almost 500,000 this year against 408,187 in 1986.

Ford's Mr Hayden has forecast his company's UK car and light van production this year will be about 400,000.

The French-owned Peugeot Talbot's first-quarter production was down almost 28 per cent to 12,599 mainly because output of its car kits for Iran (which count as cars) has been suspended so far this year because a stockpile of 13,500 has built up while in 1986 most of the kits were made early in the year.

There is the prospect that the revitalised Jaguar company, now building up output of its new XJ6 luxury car, might overtake Peugeot Talbot in the UK production league this year.

By the end of 1987, however, Peugeot Talbot will have its new 405 model, a mid-sized competitor for the Ford Sierra, Vauxhall Cavalier and Rover Montego, in production alongside the Peugeot 309 at the factory in Ryton, Coventry in the west Midlands.

In a full year Peugeot Talbot would expect to produce about 40,000 cars.

UK CAR PRODUCTION

	First quarter 1986	1987
Rover Group		
Austin Rover	110,595	104,709
Range Rover	3,768	4,532
Total Rover	114,363	109,241
Ford	66,308	99,960
Vauxhall (GM)	42,210	47,958
Peugeot Talbot	17,467	12,599
Jaguar	11,652	11,688
Rolls-Royce	610	602
Carbodies	575	588
Lotus	169	233
TVR	129	124
Panther	66	39
Reliant	52	39
Others	156	164
Total	253,757	283,233

Source: Society of Motor Manufacturers and Traders

Court orders winding up of securities dealer

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

LICENSED securities dealer Greenwood International Securities was compulsorily wound-up by the High Court in London yesterday on a petition presented by the Department of Trade and Industry (DTI).

The court was told that the company had made large and undisclosed profits which were inconsistent with its duties to its clients.

The department's petition stated that Greenwood had circulated advice and newsletters to clients and prospective clients recommending, among others, the shares of two Canadian companies, Multi Choice Communications and Campbell Boys Industries.

That advice had not been impartial, as Greenwood had itself bought the shares. The advice had been mixed in with advice to invest in such public limited companies as Norfolk Capital Group, Nurdin and Peacock, Powell Duffryn and Mitchell Cetts.

Greenwood had thus acted in breach of its fiduciary duties to its clients, to whom it had given the impression that it could be relied upon for impartial advice, and in breach of the 1983 Licensed Dealers (Conduct of Business) Rules and the rules of the Financial Intermediaries, Managers and Brokers Regulatory Association (Fimbra), the DTI alleged.

In the case of Multi Choice, Greenwood had been used as a vehicle by which Mr Gary Anderson and his Amsterdam-based company Grandale, disposed of a worthless shareholding for a substantial price to members of the public in the UK and elsewhere.

In recommending the purchase of Multi Choice shares, Greenwood acted irresponsibly and in a manner unsuited to the holder of a licence to deal in securities, the department stated.

The price paid by clients for the Multi Choice shares was three times that paid by Greenwood when it bought the shares from Mr Anderson or Grandale.

Greenwood strongly recommended Campbell Boys shares in an "extravagant" manner, without revealing that at the end of January last year Campbell Boys had a deficiency of liabilities over assets of about C$4m (£1.8m) and a retained earnings deficit of C$164,221 (£73,624).

Ordnance wins £20m order

BY RALPH ATKINS

ROYAL ORDNANCE, the munitions company bought by British Aerospace from the Government in April, has won a £20m contract for mine fuses.

The deal is part of a £55m re-equipment programme for the Ministry of Defence (MoD) being organised by Marconi Command and Control Systems, a subsidiary of the General Electric Company, which is acting as prime contractor.

Other parts of the programme have been awarded to Newmarket Microsystems and Marconi Electronic Devices.

Royal Ordnance will supply mechanical fuses for the Barmine anti-tank mines which it already manufactures for the British army. It is the biggest contract awarded to the company since it was sold into the private sector.

ITV group may sell big stake in film unit

By Raymond Snoddy

CENTRAL Independent Television is considering selling up to 75 per cent of Zenith, its feature film and television production subsidiary.

Britain's second largest ITV company is seriously considering giving up control of Zenith, one of Britain's largest independent film production companies because of government plans to encourage independent television producers.

The Government has made it clear it wants both the BBC and ITV companies to give independent producers access to 25 per cent of the UK's four national television channels.

As a wholly-owned subsidiary of an ITV company, Zenith would not qualify for the independent's "quota". Zenith, whose productions have included Insignificance, Personal Services and Prick Up Your Ears, would then have to compete with the remainder of the ITV companies for the reduced amount of airtime.

Central is looking at how much of the company would have to be disposed of for Zenith to qualify as an independent and has begun work on putting a value on Zenith. The film company, which spends about £20m a year on films and television production, is profitable.

Mr Leslie Hill, managing director of Central said yesterday: "It is sensible in the present climate to see how we could enable Zenith to operate in an even more successful manner."

Mr Hill confirmed that Central was considering selling a controlling interest in Zenith but the outcome would depend on what the Government's final definition of an independent producer turned out to be.

If Zenith were floated free from Central, a clear favourite to take a controlling interest would be Mr Michael Green's Carlton Communications, the fast growing television service company.

Carlton has a 20 per cent stake in Central and Mr Bob Phillis, the Carlton group managing director is former managing director of Central and founding chairman of Zenith.

The ultimate fate of Zenith, and other ITV film production subsidiaries will ultimately depend on talks now going on between the ITV companies, the Independent Programme Producers' Association and the Independent Broadcasting Authority.

Home repossessions aggravate problems in jobless black-spot

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

TWO HOMES per day are being repossessed by building societies on Teesside, in the north-east of England, mainly as a result of financial problems arising from unemployment, according to a report by Cleveland County Council published this week.

This is adding to the problems caused by unemployment in the county, now Britain's most concentrated blackspot, with a male unemployment rate of 26.6 per cent and an overall rate of 20.7. There were 50,104 jobless in Cleveland in April.

Because of lack of personal resources, people losing their homes are forced into the cheap, inner-city end of the private housing market or into difficult-to-let council property. This increases the concentration of unemployed people in already deprived areas – in some inner-city districts the rate is 45 per cent – contributing to a spiral of despair.

The county council surveyed the unemployed in its area in order to develop a strategy to ease the problems. Unlike many parts of the north, mass unemployment is a new phenomenon there.

In the 1970s Cleveland was a boom area with only five per cent out of work. The rate was under 10 per cent until 1979, when closures in the steel, chemicals and off-shore industries bit suddenly and hard.

The survey, which involved a representative sample of 1,600 jobless people, found that half were suffering from high levels of psychological distress. People were experiencing feelings of shame, despair, and boredom as well as loss of self-esteem and financial hardship.

Of the married unemployed, half said that their marriages had suffered and some parents reported that their relationships with their children had also deteriorated.

Most people worried most of the time, with three-quarters disagreeing that "it's not so bad with the benefits". Almost equal numbers agreed that "any job is better than unemployment" (63 per cent) and that "you get used to it" (62 per cent).

The report says: "The unemployed have a vast fund of skills, talents and time which is going to waste. These could be utilised by greater participation in helping others, sharing skills and interests or in voluntary work, including community projects.

"Activities suitable to the individual would help people to feel needed and useful, would continue personal development and contribute to community development."

Mr Bruce Stevenson, Cleveland's chief executive, says that the county will now treat the unemployed as a special "client group" in the same way as children and the elderly, who require their own county services. This will change the way services are delivered, looking at problems from the viewpoint of the community and the unemployed, rather than council committees and departments.

The county's unemployment strategy will try to help people to react positively to joblessness, to set up community action areas to get people working together so that they feel less isolated, and to improve communications.

Pit stoppages threaten coalfield investment

BY CHARLES LEADBEATER, LABOUR STAFF

SOUTH WALES miners were yesterday warned that future investment in the coalfield, including the proposed £90m Margam drift mine, could be threatened by the continuation of a series of unofficial stoppages.

Mr Ron Price, British Coal's area director said: "If unofficial disputes continue at the present rate they will create serious doubt over investment plans for that project."

British Coal has lost 40,000 tonnes of output in the past two months, worth about £2m, as a result of nine unofficial strikes at eight pits in the coalfield.

About 2,800 mines at four pits held a 24-hour strike earlier this week in protest at proposed changes to concessionary coal allowances. Only 15 of British Coal's 125 pits were free from industrial action last year.

Mr Price said that, should unofficial strikes continue at the same rate, the coalfield might not become profitable and would lose investment.

The Yorkshire area of the National Union of Mineworkers (NUM) yesterday warned that miners would fight a series of pit closures which the union said were planned for the coalfield.

The NUM said that 400 jobs could go at the South Kirby colliery, and 200 at Treeton Colliery. British Coal has also voiced concern over the future of the Manvers Main colliery.

Insurance market names IBM as supplier for computer network

BY NICK BUNKER

LONDON'S insurance brokers and underwriters yesterday took another step towards creating an electronic insurance market by naming IBM as preferred supplier for a computerised data network.

Implementation will start in the third quarter of 1987 and the network could be yielding annual revenues of £8m to £10m for IBM UK by the year 1990, said Mr Des Lee, head of systems at Lloyd's of London.

The network is intended to revolutionise the flow of money and information between Lloyd's syndicates, the 260 Lloyd's brokers and 230 London-based marine, aviation and non-marine insurance companies.

One key aim is to make the market more efficient by cutting down the huge volume of paper which passes around the City of London each day as brokers walk from one underwriter to another arranging insurance policies and notifying insurers of claims.

Mr Murray Lawrence, deputy chairman of Lloyd's, told reporters that the new network "was not Big Bang as we see it on the Stock Exchange. It is a backroom Big Bang."

The network's users will be linked by an electronic data interchange network relayed through IBM's computer centre at Warwick in the Midlands. This is already handling networks such as the Matrix system which connects the automated teller machines operated by seven leading building societies.

The new insurance network will be managed by a consortium put together by Lloyd's, the Lloyd's Insurance Brokers Committee (LIBC) and the London company market's two data processing bureaux, the Institute of London Underwriters (ILU) and the Policy Signing and Accounting Centre (PSAC).

IBM won the three-year contract after fighting off a rival bid from International Network Services (INS), the joint venture launched in February by two computer service companies, US-based Geisco and ICL of the UK.

INS said it was "naturally disappointed" to lose the contest but said it was still "enthusiastic" about building data networks for the insurance industry.

Yesterday's news represented a considerable achievement for Lloyd's, the LIBC, PSAC and the ILU after nearly six years of proposals and often confused debate about the value of a market-wide data transmission system.

Mr Michael Seddon, PSAC's data processing manager, said that by the middle of 1988 a "significant volume" of premium and claims payments and reinsurance treaties should be passing through the network.

The consortium hopes to complete within the next two months talks with IBM about a scale of charges for the network's users, he said.

Some indications of the cost to users have emerged however from PSAC's experience with an IBM network which it started last October. Large users with about 20 computer terminals have been paying IBM an annual charge of £6,600, plus a traffic charge of 7p per minute.

One attraction of using the IBM network is that only a small initial capital investment is required from users. This is because the IBM network is designed to conform to international "open systems interconnection" standards, meaning that it can be linked up to users' existing compute systems, even if they were not supplied by IBM.

Hopes rise in manufacturing

BY NICK GARNETT

MANAGERS AND engineers working for British engineering companies are more confident about the future of UK manufacturing than they were three months ago, according to a survey in the magazine Engineer, published today.

The survey of 500 people in mechanical and electrical engineering, and ship and vehicle building showed that just over half are more optimistic about manufacturing as against the 35 per cent who said this in the Engineer survey three months ago.

That still leaves 45 per cent of engineers and managers replying that they were pessimistic about their production sectors, and manufacturing as a whole.

Among other points in the survey, 71 per cent of respondents said orders were running at normal or above normal rates.

A little over 40 per cent of engineering companies said they were increasing capital expenditure with 14 per cent cutting back.

Some 52 per cent taking part in the survey said they disagreed with the proposition that trade curbs against Japan would harm British industry though 28 per cent said it would.

Only 27 per cent supported the privatisation of electricity supply with 53 per cent saying they were opposed.

Some of the findings of the survey are in line with those carried out by a number of groups recently, including the Confederation of British Industry (CBI).

In contrast, direct suppliers to manufacturers, including machine tool builders, complain that domestic sales have fallen substantially in recent months.

GENERAL ELECTION

Ashley Ashwood

Mrs Thatcher at her final pre-election press conference yesterday

PM says our deterrent must stay this century

BY TOM LYNCH

BRITAIN MUST keep its independent nuclear weapons at least until the end of the century, Mrs Margaret Thatcher, the Prime Minister, said yesterday.

Mrs Thatcher was in a relaxed and confident mood at her last press conference before the general election polls open today, and she told journalists she was looking forward to winning a large majority to keep her in Downing Street for the whole of the next parliament.

She said she could foresee no circumstances in which Britain could relinquish its nuclear capability before the end of the century. The Government would have to take "a new look" at the question when it came to consider replacing Trident, around the end of the century, "but I very much doubt it will be me answering questions at the time."

Reminded of the observation by Sir Francis Pym, who was Chief Whip at the time of the 1983 general election and was subsequently sacked from the Cabinet, that a large majority was not always desirable, Mrs Thatcher said: "I want a large majority. I want it to hold the confidence in the future of our country. It is very necessary for indicating to other countries, many of whom are thinking of putting investment in our country, that we have a strong majority."

She assured journalists that she was "very fit and would wish to see through a third term." Her party had re-elected her annually to the leadership and she hoped it would continue to do so.

The Prime Minister argued that voters feared the Labour Party in its present form in a way they had not under previous leaders. "That fear is enhanced by the fact that they know the Militants have been kept quiet and not allowed to show their policies and the way in which they would do things. The Labour Party know they woud strike fear into people's hearts."

By contrast, the Government stood by its record of a strong economy providing the wherewithal [illegible] for higher benefits and better health provision, with unemployment falling and with ownership of shares and property on the increase.

She rejected suggestions that she would prefer the Alliance to emerge as a non-socialist opposition in place of Labour. She dismissed the Alliance as a "collection of miscellaneous views" ranging from CND to some who might be close to the Conservatives.

Nanny Thatcher laps up the love of her loyal family

John Hunt assesses the Prime Minister's election campaign

AT THE start of her campaign, Mrs Thatcher sternly reminded her ministers that teamwork was to be the theme of the Conservative Party press conferences.

However, this was in stark contrast to the style of her travelling roadshow. On tour, all pretence of teamwork was dropped and the Thatcher personality cult was given free rein, apparent when she addressed groups fo the party faithful from a specially designed portable trailer — meetings appropriately described as "minimags."

The adoring crowds, most of them wearing I Love Maggie badges, had come to pay homage. Mrs Thatcher did nothing to discourage this, and she proudly used the word Thatcherism in her speeches in preference to the more traditional Toryism or Conservatism.

In the 1979 general election, Mr James Callaghan, then Labour Prime Minister, was accused of running on the slogan Trust Your Uncle. The theme of Mrs Thathcer's campaign in the country could be summed up as Trust Nanny.

At times, she seemed to be parodying her own image, as when she told a Birmingham rally: "Thank you for shouting 'Love Maggie' wherever I have been."

This was toned down when Labour attacked what it called her "dominant and arrogant" style of leadership, but her travels still resembled a royal progress and she scarcely met anyone other than committed supporters.

There is no doubt that she still has a remarkable rapport with the party rank and file. At her whistle-stops, where supporters were brought in from a large area, she put her arguments in the blunt language of the Grantham corner shop.

The simple concepts were immediately grasped and applauded by her audience.

At times, even the phenomenal Thatcher stamina showed signs of wear. At one evening rally, she looked drained and exhausted after a long speech which she had been revising into the early hours of the morning. At these giant rallies, carefully orchestrated by her political impresario, Harvey Thomas, excitement was built up by deafening music and giant electronic slogans before Mrs Thatcher made her triumphal entrance.

The audience was warmed up by comedians such as Ted Rogers, whose tasteless "curry" joke did not go down at all well with Indians and Pakistanis who were in the hall.

Yet, despite these exuberant trappings, her performances in the country were curiously defensive and at times uncertain. After a successful run attacking Labour's vulnerable defence policy, she was in difficulties over the contretemps caused by her remarks which were taken to imply that fee-paying and the 11-plus exam might be introduced into state schools.

It was at this very moment that she decided to visit the fee-paying independent Leicester Grammar School, as if in deliberate defiance of her critics.

There was also her unfortunate press conference remarks about her use of private health schemes. On the stump, she defended her record on the National Health Service by constant repetition of the simplistic formula that spending on the NHS was £8bn a year when she came to office in 1979 and £21bn now.

At her first press conference in London, she boasted that she was going to fight the election on the Tory manifesto, which set out "real radical policies for the next parliament." However, this intention was quickly dropped when she was on tour. Apart from brief references to education, the community charge which will replace rates, and plans for reviving inner cities, most of her time was spent praising her Government's record and attacking Labour. When an Alliance revival in the polls failed to materialise, all mention of Dr David Owen and Mr David Steel vanished from her speeches.

One of the most curious and most critisised geatures of her tours was the relentless trudge around industrial establishments while an army of photographers and television cameramen scrambled to picture her gazing intently at pieces of gleaming machinery. These constant "photo opportunities" were intended to obtain coverage regional press and television coverage, as well as provide pictures for the national networks in the evening. The writing press—or "scribblers" as they were referred to with amiable contempt—hardly had a look-in.

The tour finally degenerated into farce amid scenes of confusion when Mrs Thatcher visited Alton Towers, the giant amusement park. As she gave an impromptu press conference, her voice was drowned out when a huge figure of Henry the Hound, a mechanical dog, sprang into life playing a guitar and raucously singing a country and western song. For once, the lady found herself upstaged.

UK NEWS – THE GENERAL ELECTION

Kinnock crusades his way into contention after a rose red lift-off

Michael Cassell on Labour's revival in fortunes

IT HAS taken a one-month crusade, crammed with hand-grasping, rose-throwing, nappy-changing opportunities to rescue Mr Neil Kinnock, Labour's born-again leader, from the political oblivion to which his opponents had so happily, so mistakenly, consigned him.

Perhaps the biggest gaffe of the entire 1987 election took place well before the maiden campaign flight of Red Rose One, the endearingly eccentric, condensation-dripping Viscount which bounced Mr Kinnock between revival meetings, slowing down for any big, black clouds it met along the way.

It was Mr Norman Tebbit, the Tory Party chairman, who boasted during the dying days of the last Commons that his troops were going to "walk it." The Labour leader, however, decided to run it.

It has been Mr Kinnock who has led the field, leaping from plane to train to silver-grey limousine, charging around the regions and ripping into his opponents with a passion and a fury which has restored faith, hope and heart to a party that, only four short weeks ago, wondered whether it would cross the line in third place.

Fed on adrenalin and shrink-wrapped sandwiches, the Labour leader has made an emotion-charged play for the nation's conscience. All the promises about a slick, stylish, well-targeted and effective campaign have proved formidably accurate.

It lost the argument on defence and fumbled its tax package but, for the most part, the party was able to set the agenda and to stick to it. The Tories went on to the defensive more often than Central Office would have dared imagine.

Labour's party political broadcasts appeared, at once, embarrassingly sentimental, insultingly simplistic and powerfully impressive. By the end Tory Central Office was indulg-indulging in the sincerest form of flattery by imitating

Despite the repeated and unnecessary denials from the leadership, Labour's bid for power has been almost exclusively presidential in style. Like the Tories, the party decided that its leader was their best asset and set out to sell him in a way not been seen before in Britain.

Followed by a coach-load of happy cameramen — unkindly dubbed "monkeys" by their travelling companions — Mr Kinnock, like his opponents, set out to be photographed, filmed and recorded in an endless montage of shamelessly contrived photo opportunities. The writing press — improbably referred to as "bunnies" — became increasingly frustrated at their inability to sidetrack the leader or to pin him down on issues upon which Labour has traditionally floundered.

As the strategy of personality and selective policy exposure began to work, so the poll rating of Labour's campaign and of Mr Kinnock's own standing soared. Each dawn-breaking, half-waking Heathrow morning the media would study the leader's demeanour to see how he was digesting his daily Fleet Street diet. Whatever they threw at him, he grinned, infuriatingly, back.

Mr Kinnock has thoroughly enjoyed himself and, almost single-handedly, raised the spirits of the party. There have been a few other parties along the campaign trail, most memorably on a wet Tuesday in Darlington when empty hours were filled dispensing champagne—rechristened "people's party pop."

Neither will the sight of the leader of Her Majesty's Opposition throwing himself, arms and legs outstretched, against the Heathrow perimeter fence, fade quickly from the memory. At the end of another exhausting day and in the glare of car headlights, a devil-may-care Kinnock was handing the picture opportunity of the campaign to a band of photographers too tired to give a damn.

The Labour leader was, for the most part, impressive and good-humoured, although there were several occasions—always involving the media and usually only because the questioning was not going his chosen way—when his short fuse appeared dangerously close to igniting something worse.

In a presidential campaign, the character of the candidate is a fair target for the most searching scrutiny and it is Mr Kinnock's impatient, potentially explosive passion, rather than his lack of experience, which might arouse most attention among those examining his qualifications for running the country.

The Kinnock bid for power, if light years ahead of expectations, has been expertly packaged but its critics claim many of the contents have remained securely wrapped up and out of sight. Repeatedly, the public has been told that "what you see is what you get" and yet nowhere in the manifesto could it find any references to abolition of the married man's allowance, the plan to legalise secondary picketing or the immensely expensive proposal to give council tenants cash hand-outs to move home.

Such "extras" have been squeezed out along the way but Labour has only rarely been deflected. It has, on its own terms, had an excellent campaign, though the nationally spread opinion polls continue to suggest that while all the effort has done a great deal for the man, it has done less in terms of lifting the party.

Even so, Labour has had, on its own terms, an excellent campaign, though the nationally spread opinion polls continue to suggest the effort has done a great deal for the man rather than for the party's own standing.

The true measure of Labour's success will only be known in the early hours of tomorrow morning. Even if they fail, Mr Kinnock and his team have, despite their denials, surely surprised themselves, their supporters and their opponents. If they ruin Mrs Thatcher's hat-trick, the shock will be seismic.

Surveys point to large Labour gains in Scotland

BY PETER RIDDELL, POLITICAL EDITOR

LABOUR is heading for far-reaching gains in Scotland according to the latest poll taken on Tuesday and yesterday.

The Mori survey for The Scotsman puts Labour on 48 per cent, up four points since a similar survey earlier in the campaign and up 13 points on its 1983 showing. The Tories are put at 22 per cent, compared with 28 per cent at the last general election. The Alliance is at 15 per cent (24 per cent last time) and the Scottish Nationalists 15 per cent (12 per cent).

These figures not only point to the loss of at least a third of the Tories' 21 seats in Scotland but also put at risk some Alliance seats like Glasgow Hillhead, held by Mr Roy Jenkins, and Roxburgh and Berwickshire.

A series of local and regional surveys yesterday pointed to an advance by Labour and the Alliance in some of its target seats. For instance, a Marplan poll for the South Wales Echo puts Labour ahead in three Tory-held marginal seats, Newport West, Bridgend and Cardiff West.

A Mori poll for Granada puts the Tories slightly ahead in north-west England with 42 per cent, followed by 40 per cent for Labour and 17 per cent for the Alliance. This represents a 1 per cent swing from the Tories to Labour since 1983.

The final Harris Research surveys of battleground constituencies for Channel 4 News suggest that Labour is well placed to win Calder Valley (having been in third place in 1983), that the Tories may hold Dudley West comfortably and that the Alliance has made a late surge and is poised to take Cheltenham narrowly from the Tories.

Alliance leaders immediately highlighted the Cheltenham survey as evidence of the last-minute upturn they have been claiming. A poll for TVS in 68 constituencies in southern England points to a further advance by the Alliance at the Tories' expense. The Tories are put at 53.5 per cent, down from 56.3 per cent at the 1983 election, with the Alliance on 29 per cent compared with 29.6 per cent four years ago.

A survey for the Western Evening Herald in Plymouth suggests that Dr David Owen, the SDP leader, may increase his majority in his Devonport constituency while the party may press Conservative Miss Janet Fookes in neighbouring Drake.

Hands up who'd like to be Prime Minister: the two Davids on the campaign trail in Richmond, west London, earlier this week

SDP leader shrugs off hecklers and doubters to the end

BY IVOR OWEN

WHEN Dr David Owen revealed he had correctly forecast that Reference Point and Most Welcome would finish first and second in the Derby his campaign team gasped with admiration.

Then the leader of the Social Democrats went on to give the bad news—he had not backed either horse—and the groans were even more expressive seeming to reflect the nagging doubts that the outcome of the general election was likely to be equally unrewarding.

By then the campaign was entering its final week and Dr Owen's dominance over the co-leader of the Alliance, Mr David Steel, seemed to be not only generally recognised but accepted.

Dr Owen was at his most commanding when, by sheer force of logic, he compelled the Liberal leader to retract his ill-considered statement that the Tories would have to get rid of Mrs Margaret Thatcher if the election resulted in a hung parliament and they wanted to cling to office by forming a coalition government with the Alliance.

The mobile telephones by which the two leaders kept in touch as their campaign trails took them to different parts of the country, often hundreds of miles apart, were in danger of overheating as the policy tangle was gradually and painfully unravelled.

Some three hours after his initial outburst Mr Steel was making it clear, as he joined with Dr Owen in answering questions at the end of another enthusiastic rally, that should the Alliance hold the balance of power it would be necessary to talk to Mrs Thatcher in her role as incumbent Prime Minister.

Dr Owen adjusted well to the exhausting travel schedule which occupied most of his 17-18 hour day and his sense of humour — including the capacity to laugh occasionally at a joke at his own expense—seldom showed signs of fraying.

Cornish cream teas featured regularly on the menu aboard the Hawker Siddeley 748 prop-jet—complete with gold and black trim to denote its association with the Alliance—which carried him and his campaign team and attendant journalists and television crews around the country.

By coach, aircraft and fast cars Dr Owen criss-crossed the United Kingdom clocking up some 11,000 miles as he visited

Ivor Owen on a campaigner who refused to be nagged by doubts.

the first and last constituency in England—St Ives—the Kent coast, north and south Wales, the north of England and Scotland, and Northern Ireland.

As the opinion polls stubbornly refused to provide any convincing evidence of the much predicted late surge by the Alliance Dr Owen clearly found it difficult to maintain an outward show of optimism, but in the final stages of the campaign became notably more relaxed.

While this could have reflected the demeanour of a man resigned to an inevitably bad result—the confidence he showed in dealing with Tory and Labour hecklers at open air meetings suggested that he was still convinced that the pollsters would be confounded with the election resulting in a hung parliament.

It was another Liberal leader, the Earl of Rosebery, who said he would sooner win the Derby than a general election.

But, unlike Dr Owen, he was a racehorse owner—not a non-gambling tipster.

Kinnock aims plea for support at affluent

BY LISA WOOD

MR NEIL KINNOCK, the Labour Party leader, yesterday made an appeal for the vote of the comfortably off.

Addressing a conference in London, he said some people had benefited temporarily under Mrs Thatcher but he asked them to look to their long-term futures.

He said: "All those people, regardless of how affluent they are, how comfortable and how secure they are, they have a vested interest in securing a different approach in this country, one which does give priority to fighting unemployment, to investing in education and health and making our way successfully in the modern world."

Predicting Labour gains across the country he cited in particular Greater London, the Medway towns, Portsmouth, Southampton, Plymouth and Bristol.

He confidently forecast Labour gains in eight target seats south of London and spoke of a "very strong" movement back to Labour in the East and West Midlands.

Labour emphasised unity within the party. Mr Roy Hattersley said throughout the campaign he had thought back to 1983 and 1981 when some had written the political obituaries of the Labour Party and others had thought they were dancing on its grave. "Nobody is doing that now," he said. "We are a great national party again."

Blunted Steel shows diffidence in weary wandering for votes

"THINGS will get better" rapidly became the somewhat gritty watchword on David Steel's election battlebus.

There were improvements during the 8,000-mile tour (as far as New Delhi and back) of Britain. Travelling reporters were offered a wider choice of drinks than the original stocks of Perrier water and tonic. A microwave oven was installed—and on Derby Day, Clement Freud provided pizzas.

But politically, the prospectus never looked like justifying the optimism with which the Liberal leader set out.

Mr Steel must wonder now how much of that journey was really necessary. Certainly the reporters did as they found themselves passing through Leeds for the sixth time in 14 days.

At times the bus seemed to be engaged in some demented game of blind man's buff, lurching in three days for example from Southend to Nottingham, up to Edinburgh and Aberdeen, back to Newcastle and Leeds and then again to Edinburgh.

The design behind this apparently aimless wandering to the music of Purcell was to take the Liberal leader to hisparty's target seats; and to join him with Dr David Owen in regional rallies and television interviews.

Punishing

Mr Steel took a few short cuts by jet aircraft and by helicopter (which he hates). But it was a punishing schedule, exacting its toll on his energy. One photographer on the tour went into hospital after two weeks totally exhausted.

Along the road, the television crews got the pictures which are now the politician's priority. Mr Steel was filmed in a high-tech workshop, in a clay pit, in a wood preservative factory ("The rot and how to stop it"), and being interviewed by a panel of jobless for the post of Prime Minister ("We'll let you know . . .).

This political progress reached its high point in a Yorkshire creamery that generates its own electricity. "This," observed a cynical reporter, "must be the epitome of Liberalism — a wind-powered yoghurt factory."

The remark was treasured as one of the few memorable phrases of Mr Steel's campaign. For the Liberal leader seemed diffident about delivering a punchy line even when his speechwriters had given him one.

Radio reporters waited eagerly for one speech in

Philip Rawstorne on a campaign journey resembling a 'demented game of blind man's buff

which he was to attack the Tory "boot boys kicking in the windows of the welfare state." Mr Steel dropped the line, and had to be persuaded to record it later.

The man from the Daily Mirror, counting the paragraphs of his coverage as the campaign ended, estimated each one had cost £50. Word opportunities, as they were dubbed, had a rarity value.

By the end of the first week, the Steel campaign was already under critical review. Party officials were puzzled by the lack of response from voters. They believed they had done nothing wrong. In fact, they had grossly underestimated Neil Kinnock.

Mr Steel abandoned the tactic of ignoring Labour—and attacked with the list of the hard left's "101 damnations."

Back in the markedly more relaxed atmosphere of his constituency, Mr Steel also announced that he and Dr Owen would abandon many of their planned joint television appearances. The limitations of some regional studios, he said, made them look like Tweedledum and Tweedledee. Thus was a novel and unflattering image promoted.

"Things will get better," he insisted. But as it became clear that, unlike 1983, the Labour vote was not going to collapse, he began to hedge his bets. Now he began to talk of the value of his experience in leading a minority party. His stoicism in the face of disappointment was stylish. But the party could have used a bit of passion.

Cyril Smith thought the whole Alliance campaign was boring. Mr Steel replied that razzmatazz had to be balanced with debate of real issues. He found renewed encouragement first in the precentage of don't knows in the polls. Here was a potential reservoir of support, he announced.

As that hope seemed to trickle away, Mr Steel raised the possibility of differential voting. Even with the same total vote as last time, he said, the Alliance would win substantially more seats because of the heavier concentration of its support in target constituencies.

Abandoned

By the time he reached Liverpool at the end of his tour, Mr Steel was talking merely of exerting a moderat-infinence by trimming the Tory majority.

By then, the Alliance was being squeezed hard. The strains began to tell on the dual leadership. Mr Steel insisted throughout that his partnership with Dr Owen worked well—much better than his partnership with the former SDP leader, Mr Roy Jenkins, in 1983.

But for much of his campaign, Mr Steel seemed to lack a cutting edge, or a clearly focused target. There were only flashes of fire.

As the strains increased, the Alliance appeal to the moderate centre—or, as one voter put it, its attempt to be "all things to all men"—proved more difficult to make with one voice. There was discord over a possible deal with Mrs Thatcher; other slightly out-of-keay moments.

But long before they got out of step, Mr Steel had recognised that this time the electoral bandwagon was unlikely to be rolling to the Alliance tune.

Liberal leader in tactical vote plea

By Philip Rawstorne

MR DAVID STEEL, the Liberal leader, last night called on Labour supporters to switch thetir votes to the Alliance in seats where such tactics could defeat the Conservatives.

Tactical voting could still deny Mrs Thatcher a majority in the Commons, he said.

Speaking at Peebles in his constituency, the Liberal leader pointed out that the latest TVS poll of 68 seats in the south not only shsowed a late surge of support for the Alliance but also suggested that 40 per cent of Labour voters were prepared t oswitch their votes. "The fate of the election could be in their hands," he said.

However, Mr Steel said he would not advise reciprocal moves by Allied voters. "Our influence in the Commons will depend on a substantial number of MPs backed by a big popular vote," he said.

Mr Steel, who had earlier toured an electronics factory and a tweed factory in efforts to boost his own popular vote, also drew encouragement from the latest ITN poll in Cheltenham, which showed the Alliance ahead for the first time.

"There is no reason to think this is peculiar to Cheltenham. I expect it to be typical of our target seats," he said.

"The floating voters and the waverers are all that stand between Mrs Thatcher and a third term. Labour cannot win this election. The Tories must not win.

"Floating voters are struggling towards the Alliance rescue ship as Mr Kinnock's boat founders. To those who come from the shark-infested waters of the Tory Party, we say 'welcome aboard'."

Mr Steel launched a fierce attack on the Government's attempts to "conceal its economic failures from the electorate."

He said: "Figures have been fiddled, books have been cooked, and statistics are weary from massage.

"It's no longer a question of the Government being economical with the truth but rather of not telling the truth about the economy."

Owen rallies support and confidence in Plymouth

BY IVOR OWEN

DR DAVID OWEN, the SDP leader, spent the final stages of the election campaign rallying his supporters in Plymouth.

He has represented the city in the Commons for 21 years and though he has the slimmest majority of the party leaders, at just under 5,000, is confident of securing re-election as MP for Devonport, which he first won in 1974.

His repeated predictions that the Alliance will hold the balance of power when the voting has been completed today was given another boost after canvass returns and a poll in the Plymouth Evening Herald showed the SDP poised to capture the neighbouring constituency of Drake from the Conservatives.

Miss Janet Fookes has kept a tenacious hold on the seat for the Conservatives since 1974, and having survived single-figure recounts in the past, will not be easily dislodged.

The SDP candidate is Mr David Astor who, should he emerge victorious, will reforge Plymouth's parliamentary links with the famous family.

Nancy Astor was the first woman to take her seat in the Commons when she succeeded her husband as MP for the Sutton division of Plymouth in 1919.

Miss Fookes has suffered from the hostility aroused against the Government by the privatisation of the management of Devonport's Royal Naval dockyard — still Plymonth's largest employer.

Dr Owen led the unavailing fight against the Government's proposals at local and national level and has promised that if the Alliance participates in a coalition government he will press for radical changes.

The SDP leader favours the creation of a public limited company with responsibility for the commercial management of the dockyard, with opportunities being provided for all employees — not just the managerial staff — to acquire shares.

Addressing a series of eve-of-poll meetings in his constituency, Dr Owen said the nation stood on the threshold of a new era of reason and co-operation in politics.

Forecasting that the Alliance would hold the balance of power he said: "On the anvil of the Cabinet table a new political metal will be forged."

Dr Owen predicted that the Alliance would weld together the best government Britain had known "for many a decade."

Docker stays in the bookies and misses the favourite

BY JOHN HUNT

MRS THATCHER wound up her campaign yesterday with a helicopter sortie to the south-east.

Maggie intrepidly pointed her battle bus in the direction of the Portsmouth South constituency, scene of one of the Alliance's famous victories when it was won from the Tories by Mike Hancock of the SDP in 1984 with a majority of 1,341.

There was a mixed reception as Tory supporters cheered and members of the Socialist Workers Party kept up their familiar anti-Maggie chant.

Two eggs were thrown at the battle bus and three men were arrested. Any suspicion that SDP supporters might have been responsible was removed when it was confirmed that the objects thrown were definitely not quail's eggs.

A mysterious party supporting a local candidate, Docker Hughes, appeared on the scene with banners and slogans. It is known as the 6.57 party and its opponents claim that it was named after a soccer special used by football hooligans.

Unfortunately, explained his backers, Docker, who is unemployed after 13 years working in the local docks, could not be present as he was at the bookmakers placing an important bet.

Apparently his followers hate the Labour Party and want Portsmouth to secede from Hampshire on the grounds that Hampshire folk "talk like Wurzels." Obviously a new political force has emerged in this bitterly contested constituency.

At an aviation museum in Southampton, she said that earlier in the campaign she had been getting only three to three-and-a-half hours of sleep a night. At times, she said, she had been under very considerable strain.

It seems that even the Iron Lady's stamina has been taxed by the pace of her whirlwind tour. But, as she climbed out of an aircraft in the museum, she declared firmly: "Mission accomplished."

Leaders quench Fleet Street's passion for passion

BY FIONA THOMPSON

PASSION usually crops up in British politics only when somebody's career is about to end simultaneously in tears and the News of the World.

It's an emotion that the British keep for the proper times and place. This means, obviously, the final week of a general election campaign, when we all get a little cross.

Or, if you happen to be Denis Healey, a little furious in a TV-am studio with Anne Diamond.

In the main, the serious papers yesterday sniffed and played down the story that the shadow Foreign Secretary swore at Ms Diamond and struck a reporter in the chest when asked about the private hip operation on his wife Edna two years ago. Not so the pops.

To them it was manna from heaven or, as the Daily Mail put it: "Healey's gift to the Tories," and they let rip.

"Healey the hypocrite" roared the Daily Express, telling its readers in a front page leader: "This is the political bully who, like his party, squeals like a stuck pig when he is caught out."

"Denis blasts TV girl," said The Sun. "Punch thrown after four-letter blitz on pregnant newsgirl."

I'm still debating whether the tabloids' insistance on referring to Ms Diamond, 32, as a girl was stupidity or a plot to make "Healey the Horrible (The Independent) appear even more brutish—taking on a gymslip mum rather than a fully fledged grown-up. Consider, if you will, "newsboys" Peter Sissons and David Dimbleby.

Tory chairman Norman Tebbit, who throughout this campaign has ended Press conferences with the words "thank you, gentlemen," egged them on, as the Mail quoted: "Denis Healey has always been proud of dishing it out. But today he proved he can't take it—even from a girl."

David Owen for the Alliance stuck firmly to the middle ground, getting it about right: "I was rolling on the floor laughing."

Selina Hastings' "frank profile" of Mrs Thatcher in the Sunday Telegraph told us that the Prime Minister is bored by what she regards as women's subjects, much prefering the conversation of chaps. "Will there be wives?" is a wary question often heard as she prepares to leave Downing Street for an evening's official entertainment.

Of the four leaders, only David Steel has maintained a stable mood. Neil Kinnock, who started off relatively subdued, has become more buoyant each day. He is passion personified—"displaying enough care and compassion to drown the entire Treorchy male voice choir in a sea of sentiment," according to Alan Watkins in The Observer.

Despite an avalanche of criticism, some of it lofty, some perhaps not—"the world leaders think he's a silly twerp," wrote Woodrow Wyatt in the News of the World; "never before in the field of political conflict was so much heard, by so many, from one mouth," said the Express—his spirits have not been crushed. Glenys had to rein him in sharply at Labour's rally when he "started jigging about like a demented bandmaster" (The Independent).

David Owen's spirits appeared to sink with the Alliance's standing in the polls and columnists queued up to half-write his political obituary. Robert Chesshyre in The Observer: "He will remain true to his deeply held Welsh radicalism, and the slumbering giant of middle Britain must wait again for a leader of public passion."

Mrs Thatcher began the week on the offensive but became perkier with each day. Opening Lord Forte's pantry on the M25, she accepted as her due his accolade "this wonderful lady that God sent from heaven"—despite the Bishop of Durham having categorically told us in the Express that "God is backing Labour."

Jobcentre report denied

BY CHARLES LEADBEATER, LABOUR STAFF

LORD YOUNG, the Employment Secretary, yesterday denied reports that much of the work of Jobcentres would be transferred to private employment agencies after a Tory election victory.

He was responding to the publication by Labour Weekly, the party newspaper, of a confidential report from the Manpower Services Commission's south-eastern region, which suggested that Jobcentres might turn away vacancies from employers. This would allow the centres to cut costs and concentrate their services on the disadvantaged groups such as the long term unemployed.

Lord Young dismissed the story as a scare. "There is no plan to privatise the Jobcentres," he said.

The MSC's unpublished corporate plan says that over the next four years the Commission intends to maintain the range of services offered by jobcentres both to disadvantaged groups and employers seeking to fill skill shortages.

AUSTRALIAN SUGAR INDUSTRY

Chris Sherwell on the reformation of an Australian resources group

CSR works to a sweeter future

MR Ian Burgess, *chief executive-elect* of CSR, puts it down to chance. Mr Bryan Kelman, retiring from the job later this year, speaks of luck.

They are referring to the moment five years ago, when Mr Burgess was plucked from the personnel department of the sugar, *building products* and resources group to manage its troubled building materials division.

At the time, neither could have foreseen how it would eventually reverse the group's *declining fortunes*. Mr Burgess's background was in sugar, where he had started as a *technologist* 31 years earlier. Mr Kelman, who became chief executive only a few months later, had still not fully appreciated the need for drastic action.

But Mr Burgess had been *appalled at the deterioration* caused by the group's ill-starred ventures into oil, gas *and coal* in the early 1980s. It had resulted in a debt and interest burden which proved impossible to bear when the much-vaunted resources boom petered out.

For years it would put off *analysts* and *deter investors*. To many, CSR was seen as cursed with bad luck, if not a loser. It only seemed a matter of time before it became the *target of a takeover*, probably from one of the new breed of entrepreneurs.

Ploughing his own furrow in this gloomy climate, Mr Burgess began reforming the building materials division. So conspicuous was his success—the division has since shown a *compound growth* rate in pre-tax earnings similar to that of Boral and double most of its competitors'—Mr Kelman asked him to do the same in sugar two years later, in 1984.

That, too, worked. In 1985, when the sugar price was probably at its lowest in real terms *in 200 years'* recorded trading, the division still generated A$56m (US$40m) of cash. CSR's mills produce more than a quarter of Australia's raw sugar. The group refines practically all the sugar sold in five Australian state capitals, and operates the only refining business in New Zealand.

By last year, when Mr Burgess became an executive direc*tor of the group*, headquarters itself had become his target. As *a result*, at the end of the year there will be 70 headquarters staff, compared with 502 in 1982. The headquarters complex itself has already been sold.

In all *this*, unsurprisingly, Mr Burgess quickly emerged as *a serious candidate for the top* job which would become available at the end of 1987, *when* Mr Kelman reached the compulsory retirement age of 62.

Mr Kelman, whose fate has been to be caught between inherited trouble and distant success, announced Mr Burgess *as his successor* last December, much earlier than expected. To all intents and *purposes*, *Mr* Burgess is already running the show.

A slightly built man of 55 with gold-rimmed glasses perched safely on the end of his nose, Mr Burgess says he wants CSR to be more like such successful companies as Boral and Pacific Dunlop. Indeed, he attributes much of his fast *learning to Sir Eric Neal, head* of Boral, whom he met on a trip to South Korea.

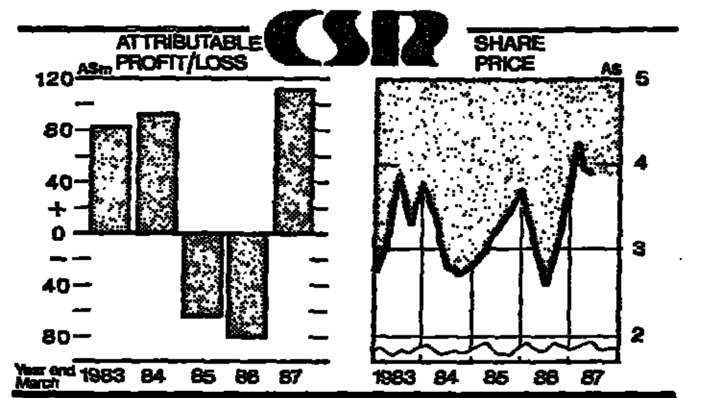
The experience of the past few years has also helped. Asked about his reputation for ruthlessness, he laughs: "I am *ruthless about performance*. I dislike taking actions perceived as ruthless towards people."

At the end of last month the group reported a 20 per cent increase in after-tax profits to a record A$150.2m—in spite of *a 19 per cent* drop in revenues, a near-trebling of interest expenses amid a restructure, and a A$14m foreign exchange loss. For the first time in three years, the group avoided a loss at the attributable level.

Now it is in the midst of two key takeovers which are aimed at fixing the changes embarked on under Mr Kelman. One is for Pioneer Sugar, of which CSR already owns some 37 per cent. The other is for Monier, the building products group which is 49.9 per cent owned by Redland of the UK.

Both purchases form key elements *of* the group's strategy of concentrating on the indus*trial businesses it knows* well and reducing its dependence on resources. *But* they *have run* into some unexpected stormy weather.

In the case of Pioneer Sugar, which many believe CSR should have bid for much sooner, at least two members of the board *are reluctant to accept* the CSR offer. CSR has bid A$2.50 per share, with a scrip alternative of one CSR share plus A$1.20 cash for every two Pioneer Sugar shares. The offer values Pioneer Sugar at about A$250m.



But, says Mr Burgess, "It's difficult to justify the price *we've offered*. We won't go any higher. We'd like to have more than 50 per cent *of the company*, and would prefer 90 per cent. But we're not fussed. We can carry on as before."

In the case of Monier, CSR's offer has been complicated *by* an aggressive counter-bid from *Equiticorp Tasman*. This is the investment arm of Equiticorp Holdings, a New Zealand group controlled by Mr Allan Hawkins, the entrepreneur.

"It queers the pitch," Mr Burgess reluctantly admitted last week. "But we're not in the business of paying inflated prices."

CSR has clearly pinned many hopes on the Monier bid — *Monier's* activities complement CSR's well, and it has interest abroad. But Mr Burgess says the acquisition is not a matter of prestige or necessity, and he apparently has little intention of going higher.

"We've been *accused of paying* too-high prices for assets before," comments Mr Gene Herbert, CSR's finance director.

Both men believe Mr Hawkins is offering too much, and wonder if he has other motives beyond a long-term investment in Monier. After all, Redland *is supporting CSR's bid*, and the two already have control of the *company—something* Redland is not inclined to give up.

Whatever happens, there is little doubt about CSR's direction, or about the decisions which have permitted it. One of the most important came at *the end of March, the same day* as the Pioneer Sugar offer. This was the decision to sell the group's Delhi Petroleum interests to Exxon for A$985m.

The sale was agreed just as CSR was completing plans for *the public launch of* CSR Petroleum, of which Delhi would have been the chief component. In spite of the benefits of the float, CSR opted to sell, since the proceeds would fund the two takeovers and leave enough to retire A$300m in mostly foreign debt.

CSR still plans to float its other oil and gas interests. Its bigger worry concerns coal, where the return on shareholders' funds of less than 4 per *cent is too low*.

The group is happy with the three mines geared to domestic production, which have acceptable cost-plus pricing arrangements. But it badly wants to sell its three export mines, and will *do so at a loss if necessary*.

In its *other* resources activities, CSR's minerals division showed a loss last financial year, but mostly because of A$16m in exploration expenses, mainly in Indonesia. The group remains happy with its aluminium operations.

As for the trimming *at* headquarters, this has in fact proceeded at a slashing pace. Apart from the staff cuts, the group has indulged in its last annual cricket match, the 94th. And the sale of the Sydney headquarters, a site the company has been associated with for more than 100 years, brought in a healthy A$140m.

"There's nothing like a dose of geographical *relocation to* sort out an organisation," says Mr Burgess of the changes.

The possibility of a takeover remains. Mr Ron Brierley, the New Zealand *entrepreneur*, *has* 5 per cent of the company, and has an options play going. Mr Hawkins may pick up a large chunk of CSR shares if he does *not press ahead with his Monier* takeover.

But CSR's vulnerability to predators has been reduced. And the group is closer to doing better things than it has been in years.

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TECHNOLOGY Computing

BY ALAN CANE

Visa's new London-based computer hall in the old Derry and Tom's department store, Kensington High Street: The facility should cut credit authorisation times from 25-30 seconds to 10-15 seconds

Visa finds quick answers in £49m memory vault

MR JOAO Ribiero da Fonseca, the head of Visa Europe, and his senior executives are fond of asserting that yesterday a bank was a vault; today it is a computer memory.

Last week Visa's memory in Europe grew appreciably with the completion of the final phase of its London-based computer hall, the Visa Interchange Centre.

Costing some SFr 120m (£48.7m), the centre is based around two IBM 4381 mainframe computers capable of handling up to 320,000 transactions an hour at peak capacity.

The centre runs two software systems, both created by the Visa organisation. Base I is concerned with transaction authorisation, and Base II with clearing and settlement.

Base I guarantees the security of Visa transaction and includes an automatic electronic "blacklist" of stolen or fraudulent cards. Mr Diderik Shonheyder, assistant general manager in charge of operations points to the effectiveness of the statistical routines built into the system in tracking down "merchant collusion"—fraud associated with particular merchants or their staff: "These techniques have enabled us to pinpoint a significant number of merchants dealing in 'strange way'" he says.

Base II is a collection and settlement system operating in all the currencies of the trading region. So funds are converted directly from the merchant's currency into the billing currency.

From the completion of the London centre, clearing and settlement will be processed on six rather than five days a week, freeing member banks from the need to accumulate transactions over the weekend. It will significantly reduce the "float" in the system.

High capacity is essential; in the early days Mr Shonheyder recalls, the European company cleared perhaps 500,000 transactions a night; now typically 10m transaction worth around $300m go through the system every night.

Until the construction of the London Centre, all authorisations were carried out from the US; the new centre should cut the time required for each authorisation from 25-30 seconds to 10-15 seconds.

The actual response time, of the system, Visa claims—that is the time from the moment an operator finishes keying in an authorisation request to receiving the answer on the screen—is now less than two seconds.

Visa claims to be the largest of the international payments systems designed to ensure safe, efficient transactions between customers, retailers and banks. It is owned by its members, over 18,000 savings, co-operative and commercial banks worldwide, some 2,000 of them in Europe. In the UK, Barclaycard is part of the Visa operation.

According to Mr Shonheyder, the volume of business transacted in Europe, the Middle East and Africa has dictated the creation of the London centre.

Visa headquarters in London, including the computing centre, occupy one floor of the old Derry and Tom's departmental store in Kensington High Street, an unusual site for a major financial transaction centre.

The suite of offices includes a research and development area where plastic card equipment from the world's manufacturers is put through its paces.

The samples on test include varieties of the "smart" microprocessor card, the latest in magnetic stripe reading equipment and GEC's new smart card without external terminals.

Hard-selling Texans launch attack on British PC market

A WAY of selling professional personal computers which cuts prices by 40 per cent or more, eliminates dealers and retailers and opens the door to maintenance by telephone is to be introduced in the UK.

It has already proved a success in the US where the company responsible, PC'S Limited of Austin, Texas, looks like turning over $150m this year after only three years in business. It is now changing its name to the Dell Computer Corporation.

According to Mr Michael Dell, its chairman and chief executive officer, customers include large corporations like the Dow Corporation, Exxon and Phillips Petroleum as well as the more obvious medium-sized and small companies.

Martin Marietta, the aerospace giant, has ordered over 1,000 of his machines, he says.

There is nothing magic about his sales technique. It simply ties colourful and detailed advertising in the computer trade press to mail order sales.

What is new is the use of mail order methods to sell top-end computers of quality equivalent to those manufactured by IBM, Compaq or Olivetti.

The savings seem impressive. A Dell personal computer based on the 80/286 microprocessor chip running at eight megahertz with monochrome monitor and 20 megabyte (20m character) hard disk costs £1,696. A similar system from Compaq costs £3,231.

A Dell personal computer using the very advanced 80/386 microprocessor running at 16 megahertz with monochrome screen and 40 megabyte hard disk costs £3,599; the equivalent from Compaq is over £5,800.

Mr Dell is quick to make it clear that his computers cost about the same as those from other manufacturers; it is the elimination of the dealer that enables the low selling price.

He does claim, however, that his machines are built to a professional standard and use advanced technology.

Maintenance in the UK will be provided through a novel, computer-based telephone service and the Honeywell-Bull field service force.

Dell computers are manufactured and assembled chiefly in the US although some parts like disk drives and monitors are sourced from the Far East.

The manufacturing history of each machine is recorded in a computer database. When a machine fails and the customer telephones the Dell service centre, the engineer can quickly call to the screen all the information the company has about that particular computer.

Each machine has its own built-in diagnostics, complete with diode display on the front panel which makes it simple to diagnose faults, Mr Dell says.

In the UK, a copy of the machine record will be held on a database in Bracknell, the company's British headquarters. If a new part is required, a Honeywell-Bull engineer will fit it before the end of the next working day.

Michael Dell, chairman and chief executive officer, of Dell Computer Corporation, says it is the elemination of the dealer that enables his company's machines to be sold so competitively

Opinion in the US about Mr Dell's approach is mixed. There is certainly a feeling among the industry traditionalists that he is a young upstart (he was 19 years old when he started the company) who might be gone tomorrow. But nobody can deny that he has done very well, so far.

In the UK, experts are waiting to see the results of his first advertising campaign which should start in July. Mr Russ Nathan of the specialist consultancy Romtec says that it seems a risky approach. On the other hand, he points out, a few years ago the idea of selling top-end microcomputers by mail order would have been laughed out of court.

And there is a place for dealers in Dell Computer Corporation's world — to provide software consultancy and support: "We are just the box shifters," says Mr Andrew Harris of the UK subsidiary.

Lotus lines up more surprises

LOTUS Development Corporation is still full of surprises. Having broken its reliance on its best-selling integrated spreadsheet 1-2-3 with a rash of new product announcements over the last few months, it took the software world unawares in April with the announcement of a mainframe version of 1-2-3 which will be jointly marketed by IBM.

Mr Jim Manzi, its president and chief executive officer was in London last week to talk to analysts and to let it be known that 1-2-3M, as it is known, is just the first in a series of such jointly marketed products.

He believes, for example, that the market for a microcomputer database management system (DBMS) is potentially very attractive. IBM is already sweeping the mainframe world with its DB2 relational database but there is, Mr Manzi thinks, a good market for a Lotus multi-user DBMS using the SQL query language which IBM has already established as a virtual standard.

The most interesting of the new Lotus products and one for which a release date remains to be set, is a personal productivity tool being developed by, among others, Lotus founder Mitchell Kapor.

According to Lotus it will be involved with task management—beyond that, however, no details are available.

Other products in the pipeline are more orthodox including several in the communications areas like local area networking and electronic mail.

Mr Manzi was confirming US analysts' recent predictions of new and powerful products. Mr Richard Sherlund, for example, of Goldman Sachs suggested that the company would offset the inevitable slowdown in sales of 1-2-3 with substantive new products in September and October this year: "Anticipated products include a wide range of group productivity software for office automation including electronic mail, scheduling calendars and document sharing."

Duller outlook for desktop publishing

DESKTOP publishing, the union of the personal computer with the laser printer to produce a system capable of generating printed work of professional quality, may prove slower to take off in business than equipment vendors have been predicting.

A survey of over 140 senior managers carried out by the magazine Business Computing & Communications suggests that there is still limited awareness of the nature of electronic publishing and ambivalence about the expected benefits.

The survey suggests this conclusion might not be unexpected, given that desktop publishing is such a recent development, but it goes on to point out that publishing of all sorts, even in the larger corporations, is fragmented and poorly managed.

It says: "The absence of a manager responsible for publishing activities across departmental boundaries means that most organisations are failing to co-ordinate their activities in this area and to effectively monitor costs."

Manufacturers and dealers in the desktop publishing area have based their sales approaches on the heavy publishing costs, typically six to 10 per cent of turnover, which all companies have to bear not only for advertising and promotional literature but for internal documentation.

The argument runs that a company can cut those costs by investing in desktop publishing systems. The survey shows, however, that publishing costs are not seen as a major source of concern by most organisations. Sixty per cent of the managers questioned said their organisation made no attempt to monitor its total publishing expenditure.

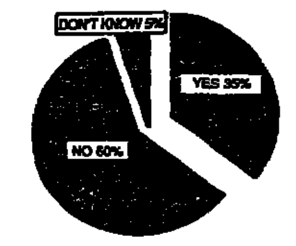
Even among organisations already using desktop or electronic publishing systems, 56 per cent said they did not monitor costs.

The reason for this lack of control, the survey suggests, is that in two thirds of the companies investigated, no individual has overall responsibility for publishing.

The survey clearly indicates that few managers see desktop publishing as a pure good. Almost half the sample, for example, believed that it would increase the amount of paper produced by an organisation and therefore increase costs.

The principal benefits seen, in fact, were "soft" or difficult to quantify. They included improvements in corporate image and increased customer satisfaction. And only one in five respondents thought that desktop publishing would have a tangible, positive effect on corporate profitability, while almost a third held the opposite view.

Does your organisation monitor its total publishing expenditure?



Among the benefits the respondents to the survey identified were:

- Reduced reliance on outside typesetters.
- Increased accuracy of internal communications.
- Improved group awareness.

Among the disadvantages were:

- Difficulty in controlling the publishing function.
- Reduced quality of publications.
- The creation of internal confusions.

The survey showed, however, that many managers were unsure of the importance of production criteria for various types of document, including such commercially critical publications as quotations and customer proposals where one fifth were unable to rank criteria such as cost, speed of production, typographical quality and graphic content.

The 70 page report costs £195 from Business Computing and Communications, 01-855 7777.

NOTICE OF REDEMPTION TO HOLDERS OF THE INDUSTRIAL BANK OF KUWAIT K.S.C. KUWAITI DINARS 12,000,000 7½% BONDS DUE 15TH JUNE, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the Terms and Conditions dated 4th June, 1978, Clause 4(B) of the above mentioned Bonds, The National Bank of Kuwait S.A.K., as Fiscal and Paying Agent, has drawn by lot, for Redemption on 15th June, 1987 at 100% of the principal amount thereof through operation of the Sinking Fund, Kuwaiti Dinars 2,400,000 principal amount, bearing the following serial numbers:

101101-101200	201001-201200	300366-300375	400368
101301-101400	201301-201500	300386-300395	400370
101501-101700	202201-202300	300406-300415	400371
101901-102100	202401-202600	300446-300485	400375
102201-102300	202801-203100	300496-300505	400376
102501-102660	203201-203300	300516-300525	400377
102701-102900	203401-203500	300536-300545	400379
		300576-300595	

The Bonds specified above will become due and payable in Kuwaiti Dinars at the office of The National Bank of Kuwait S.A.K., 6th Floor, Abu Bakr Street, Kuwait City, State of Kuwait. From and after, 15th June, 1987 interest on the above mentioned Bonds will cease to accrue.

Bonds should be surrendered for payment together with all unmatured coupon appertaining thereto, failing which the face value of the missing unmatured coupons will be deducted from the principal amount.

The aggregate principal amount of Bonds remaining outstanding after 15th June, 1987 will be Kuwaiti Dinars 2,400,000.

The National Bank of Kuwait SAK
on behalf of
The Industral Bank of Kuwait K.S.C.

Dated: 7th June, 1987

BUSINESS LAW

KNOW-HOW LICENSING

This cake may taste bitter under the icing

BY A. H. HERMANN, LEGAL CORRESPONDENT

AT LONG last the European Commission has taken out of its oven the block exemption for know-how licensing agreements. I thought it was completely burnt by now but it seems to be still edible, though we will be able to say how nourishing it is only some time after it is served to industry, probably next year.

It will certainly not give "*absolute legal protection to know-how licences*" as an official of the Commission said, but it will exempt from the prohibition of restrictive agreements certain know-how licences under specified conditions and for a limited period of time.

The draft regulation defines know-how as a body of non-patented technical information ranging from descriptions of manufacturing processes, through recipes to designs and drawings. *Licensing of such know-how will be exempt only if it is secret and substantial.* The licence can be either exclusive or *non-exclusive.*

The Commission explains in the *preamble* that "*secret*" does not mean that each individual component of the know-how must be unknown outside the licensor business; rather it applies to the entire package of information. "Substantial" means that know-how must be of decisive importance at least for a major part of the manufacturing process, for the product or its development.

To be able to verify that the licensing agreement meets these conditions, the Commission will require *that* know-how is identified in the agreement in as much detail as possible and that the parties *keep detailed records of* any subsequent improvements. As agreements concluded before this exemption comes into force will benefit from it only if notified to the Commission, the block exemption opens access to valuable and secret business information.

Officials will be bound by secrecy but knowing the leaky state of "apparatus" some firms may conclude that under the icing the cake has a bitter taste.

An important omission, by no means unintentional, concerns franchising agreements which always include the communication of some know-how. These will not be protected by the exemption which applies only to production technology. Agreements concluded for the purpose of sale of products are excluded, except for supply during a preliminary period, before the licensee starts production *of his own.*

The *Maize Seed* decision of the European Court obliged the Commission to recognise that territorial exclusivity granted by the licensor may be justified if it is necessary for the introduction of a new technology which required lengthy and costly research. Article 1 of the *regulation* will *therefore* approve of an undertaking given *by the licensor* that he will not himself exploit or allow others to exploit the know-how in the licensee's territory which may embrace part of the Common Market or all of it. The agreement may also provide that the licensee will not use the know-how in territory reserved for the licensor or for other licensees: in other words the block exemption will protect complete territorial compartmentalisation of the Common Market by the licensing agreement.

The exemption from the impact of article 85 of the treaty will be granted for a maximum period of seven years from the date of the first licensing agreement concluded in respect of the same technology in the Community.

Further periods of territorial protection may be allowed only where new substantial and secret improvements will be added and only by conclusion of new agreements in which the improvements are *described in* detail. The agreements can also oblige the licensee to use the licensor's trade mark or pack*aging or "get-up" determined* by the licensor so as to distinguish the product *from* others, provided the licensee is *allowed to identify himself* as the manufacturer.

To enjoy the benefit of the block exemption the licensing agreement *will have to satisfy* the general requirements of article *85/3:* consumers should have a fair share of the benefits by improved supply; the agreement must not contain restric*tions which are not indispens*able; and competition at the *distribtuion stage* must be *safe*guarded by the possibility of *parallel imports.*

In particular the exemption *will not apply to agreements* which prohibit the use of the *know-how after the expiry of* the agreement or when the *know-how became publicly* known otherwise than by the action of the licensee. Excluded from the benefit of the exemp*tion* will also be know-how resulting from practical experience gained in working an expired patent previously licensed to the licensee.

The licensee must not be obliged to assign to the licensor rights to improvements or new applications of the licensed technology, or to grant him an exclusive licence for such improvements or new applications.

The exemption will also be frustrated if the licensing agreement imposes on the licensee quality specifications or other unwelcome conditions which are not necessary for a *satisfactory exploitation of the* technology. He must not be *prohibited from contesting the* secrecy of the licensed know-how or the validity of any connected patents. He must not be charged royalties on goods or services which are not at least partially produced by means of the licensed know-how.

Neither party must be restricted to a category of customers or to a certain maximum quantity of the licensed products within a technological field. And, of course, there must not be any price-fixing or non-competition clauses.

However, certain restrictions of this type can be introduced if notified to the Commission and not opposed by it within six months. Such tacit clearance could be used, for example, for an obligation to continue the payment of turnover-related royalties for more than three years after the licensed know-how has become publicly known; or for an obligation of the licensee to supply only a fixed quantity of the licensed products to a particular *customer, where the know-how* licence is granted to provide a *territory with a second source* of supply.

Some of the clauses *explicitly* allowed by the regulation are *evident from the reversal* of the prohibitions, for example, that *the licensee* may be required to pay royalties for three years *after the know-how became* public, though if he discloses the secret *he may be obliged to* pay royalties till the expiry of the full term of the agreement. Other approved clauses concern confidentiality, prohibition of sub-licensing by the licensee, obligation of mutual communication of experience and specifications of quality as far as technically necessary. The licensee may also be obliged to buy certain goods or services from the licensor or from a supplier designated by him, as long as such tie is necessary for a satisfactory exploitation of the technology.

The agreement may oblige the licensee *to use the know*how only for a certain technical application or *for one or more* products and may oblige him to pay a minimum royalty or to produce a minimum quantity. The agreement may also include a "most favoured licensee" clause—that is that no one else may be granted a licence on better terms.

This report indicates only the *main meatures of the proposed* regulation, the draft of which *takes 29 pages of typescript.* Though not exhaustive it is a mouthful and the regulation will take some time to digest. The first impression is that it will bring some good but not as much as it could if the Commission accepted that know-how agreements are concluded between consenting adults who can look after their interests.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1986							
1st qtr.	108.1	102.6	105	119.3	146.6	3,171	165.5
2nd qtr.	109.2	103.5	105	121.3	154.0	3,202	175.6
3rd qtr.	110.8	104.8	106	123.7	158.7	3,202	200.2
4th qtr.	110.7	107.1	111	126.5	194.3	3,141	212.0
October	110.9	106.6	108	125.0	166.5	3,160	212.8
November	111.0	107.2	110	127.8	183.9	3,145	215.2
December	110.2	107.4	114	126.7	224.9	3,119	210.0
1987							
1st qtr.	112.2	106.9		125.4	157.0	3,072	210.4
January	110.9	105.3	114	123.6	158.4	3,114	210.2
February	112.6	107.6	108	127.0	154.5	3,066	207.1
March	113.1	107.9		125.5	157.8	3,040	210.6
April				130.0	169.0	3,020	213.9

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer. goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1985							
4th qtr.	102.8	102.7	113.4	103.2	112.6	103.3	15.6
1986							
1st qtr.	103.0	101.6	115.4	101.5	110.3	102.8	14.2
2nd qtr.	104.5	100.5	115.4	102.0	110.1	103.5	19.8
3rd qtr.	106.3	101.3	117.4	103.2	107.8	102.3	18.9
4th qtr.	107.8	102.7	115.8	105.2	115.8	104.0	15.2
September	106.4	102.1	116.8	104.0	108.0	102.0	19.4
October	106.8	102.7	116.6	105.0	113.0	104.0	19.3
November	109.0	102.4	116.1	105.0	117.0	106.0	15.9
December	107.6	102.9	114.8	106.0	118.0	102.0	18.7
1987							
1st qtr.	106.8	103.2	118.8	104.9	117.3	104.3	17.2
January	105.8	102.5	117.1	104.0	108.0	104.0	12.7
February	107.1	103.1	119.6	105.0	125.0	104.0	18.6
March	107.5	104.1	118.8	106.0	120.0	105.0	20.6
April							20.5

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn*
1986							
1st qtr.	117.5	124.0	−1,227	+682	+1,899	101.0	18.75
2nd qtr.	121.9	128.8	−1,551	− 94	+772	102.6	19.29
3rd qtr.	122.6	138.5	−2,873	−931	+646	103.1	20.14
4th qtr.	130.5	143.4	−2,602	−756	+846	100.8	21.97
September	126.2	139.3	−831	−184	+258	102.3	22.42
October	127.0	139.6	−715	−100	+226	101.5	21.90
November	132.8	146.7	−1,000	−384	+354	100.9	22.01
December	131.6	143.9	−887	−272	+266	100.1	21.92
1987							
1st qtr.	131.6	133.2	−1,135	+665	+1,164	100.5	22.75
January	124.6	131.4	−517	+ 83	+383	100.2	21.95
February	138.4	138.0	−202	+396	+328	100.4	22.26
March	126.9	130.2	−417	+183	+454	100.8	27.04
April	130.3	137.1	−504	− 96	+419	102.4	29.81
May							34.88

FINANCIAL—Money supply M0, M1 and M3 (three months' growth at annual rate), bank sterling lending to private sector; building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	HP lending† £m	Base rate %
1986							
1st qtr.	4.1	21.4	19.3	+6,203	2,220	7,375	11.50
2nd qtr.	3.1	25.9	27.3	+6,455	1,433	7,739	10.00
3rd qtr.	5.9	30.3	15.4	+6,996	168	8,223	10.00
4th qtr.	7.6	15.3	14.1	+10,531	2,814	8,178	11.00
September	6.6	34.3	17.8	+896	−671	2,879	10.00
October	6.3	19.1	14.5	+3,488	1,951	2,759	11.00
November	6.4	23.4	19.0	+3,847	160	2,635	11.00
December	10.1	6.6	9.1	+3,196	703	2,784	11.00
1987							
1st qtr.	1.2	20.6	20.1	+6,567	1,475	8,881	10.00
January	7.7	18.0	13.5	+1,699	456	2,695	11.00
February	6.1	10.8	17.8	+2,878	472	2,948	11.00
March	−2.8	33.7	29.4	+1,990	547	3,238	10.00
April	5.8	20.9	33.1	+1,522	727	3,089	9.50
May							9.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	Reuters* cmdty.	Sterling
1986							
1st qtr.	179.1	132.4	143.4	96.5	96.9	1,825	75.1
2nd qtr.	184.0	125.8	145.7	97.8	98.7	1,714	76.1
3rd qtr.	187.4	120.8	146.3	97.9	98.2	1,464	71.9
4th qtr.	191.0	127.4	147.4	99.1	98.3	1,608	68.2
September	186.8	122.4	146.7	98.3	98.3	1,507	70.4
October	188.3	124.3	147.0	98.5	98.1	1,578	67.8
November	191.2	127.5	147.4	99.3	98.1	1,612	68.5
December	193.4	130.4	147.9	99.6	98.8	1,638	68.4
1987							
1st qtr	192.1	130.0	149.3	100.3	100.5	1,580	69.9
January	190.4	131.9	148.8	100.0	100.0	1,603	68.8
February	191.2	129.6	149.3	100.4	100.7	1,601	69.0
March	194.6	128.4	149.7	100.6	100.7	1,539	71.9
April		128.7	150.5	101.8	101.6	1,554	72.4
May		128.5	151.0			1,612	73.3

* Not seasonally adjusted.

† From January 1986 includes amounts outstanding on credit cards.

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Art Galleries

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THE ARTS

Rare Prokofiev and Dvorak at Prague Festival

The charm of Prague's annual music festival is that it conceals any individual performance deficiencies in an enveloping atmosphere of cultural thirst and good will and genuine internationalism. Judging by a sample of this year's events, planning and execution have been of a higher standard than in recent years, with plentiful helpings of respected West Europen artists (including an invigorating conclusion to Sir Colin Davis's latest tour with his Munich orchestra) and Prague's special juxtaposition of Slav repertoire.

The highlight was a production at the Smetana Theatre of Prokofiev's *Betrothal in a Monastery* (1940), otherwise known as *The Duenna* after Sheridan's play. Prague has proved a remarkably staunch advocate of Prokofiev, and this particular work—with its conversational flow, witty observations and comic grotesquerie—is well suited to the National Theatre ensemble's peculiarities, the cutting nasal vocalism, outsize make-up and over-simplified acting techniques.

Although the plot in its operatic guise bears surface similarities to the comic Rossini and Donizetti, its undertones are those of a Ravellian world of unreality; and Ravel is also evoked in the fairy-tale beauty of the score, which may meander a bit but provides ample tribute to the composer of *Romeo and Juliet*, *Love for Three Oranges* and those bass-heavy chords in the Sixth Symphony. It is like a carnival of human animals or comic fantasticals, pirouetting like caged birds performing a mating ritual in full plumage. What an entertainment!

This production by Ladislav Stros, with bright, economical decor by Vladimir Nyvlt and handsome costumes by Josef Jelinek, exploited the *commedia dell'arte* associations as well as the black comedy of the brief monastery scene. In a large cast the best contributions came from Josef Hajna in the pivotal tenor role of Don Jerome, and from two of the company's most promising young singers, the baritone young singers, the baritone Ivan Kusnjer as Don Carlos and the tenor Stefan Margita, whose delivery of the Act I Serenade was exquisite. The large orchestra, which Prokofiev uses with such spare delicacy, was heard to advantage under Frantisek Vajnar. The production, staged with a minimum of cuts and just one interval, is a modern one in the best sense and would work well on tour: isn't it time the company made a return visit to the Edinburgh festival?

The other rarity on the opera programme was Dvorak's *Armida*, premiered six weeks before the composer's death in 1904 and not seen in Prague for the past 40 years. For all the enthusiasm of this latest revival at the National Theatre — supervised, with less convincing results, by the same team as the Prokofiev — it will cause little surprise or sorrow if the work disappears from the schedule for another 40 years.

The reasons for Dvorak's failure to match the quality of his symphonic writing in his music for the stage do not need to be rehearsed here. The subject - matter of *Armida*, which resembles a half-baked condensation of *Aida*, *I Lombardi and Rusalka*, might yet prove useful hunting ground for one of our wilder experimental producers; but no such treatment is likely in Prague, where cast and production team lapsed into conservative operatic cliche. Barring the finely-honed orchestral playing, and the wistful soprano aria in Act I, the evening was strictly for home consumption.

So, too, I fear, is Petr Eben's latest symphonic work, *Prague Nocturne*, a short overture dedicated to Mozart, first performed recently in Salzburg and treated to a well-prepared Czechoslovak premiere in a Prague Symphony Orchestra concert. It does not match the expectations aroused by several of Eben's better-known scores and seems more of a homage to Martinu, blandly echoing his sound world without a corresponding fund of ideas or development.

Mozart was better served in two events celebrating the bicentenary of the premiere in Prague of *Don Giovanni*: a popular concert in the Rudolfinum conducted by Libor Pesek (now of RLPO fame), featuring an exquisite *Bella mia fiamma* from Magdalena Hajossyova and introducing a superb young lyric bass from Bratislava, Peter Mikulas. A gala performance of *Don Giovanni* at the Smetana Theatre offered fewer vocal rewards, but was distinguished by the elegant shaping of the score by Zdenek Kosler, one of a breed of non-Soviet East European conductors (Oskar Danon, who gave this year's opening concert of *Ma Vlast*, is another) whose vast experience and talent are unjustly overlooked in the West.

Andrew Clark

"La Pointe de la Galère," by Henri-Edmond Cross

Art galleries/Paris

Magda Hamsher

Paris is celebrating summer with a flowering of Impressionist exhibitions around the Faubourg Saint-Honoré.

The most important of these —French masters of the 19th and 20th century—is in the three-storied town house of the gallery Schmit. From Chasseriau's Arab handing out alms painted in 1850 to Balthus's poetically pastel-coloured landscape dated 1958, it spans a hundred years of French painting with 70 oils, watercolours and bronzes.

Robert Schmit chose a painting by Henri-Edmond Cross, a neo-Impressionist influenced by Seurat, for the cover of his catalogue. An orange and mauve sunset is reflected in the sea with sailing boats bordered by lace-like cut-outs of dark blue pines. Cross uses the pointillist technique to interpret the stillness of a Japanese engraving.

Another striking painting is Gauguin's Brittany landscape—a fisherman and bathers in the Aven—executed with the palette of warm colours Gauguin used on his return from Martinique. It is his only scene with a river —and what a splendid river!— painted in this fashion.

On the first floor are two colourful self-portraits by Dufy, dated 1907, his Fauve period. The place of honour is given over in both of them to a bouquet of flowers which dominates both pictures, with the painter himself peering in—surprisingly modestly—from the sidelines. It is the first time they have been shown side by side.

From the Fauve period there is also a field of poppies by Marquet, a still life with a jug by Derain and Vlaminck's blue-green trees.

There are Renoirs and Monets, Picassos and Boudins. I searched in vain for a very personal portrait of Madame Cézanne by Cézanne which was there on the opening day of the exhibition. "Sold," said the great art-merchant, quite unrepentant.

★

Across the road from Schmit Monika Kruch in her Galerie d'Art Saint-Honoré breaks the Impressionist mould with her passion for Flemish painters. Here there is Jan Brueghel the Younger's Ceres, goddess of harvests, wonderful Rhine landscapes in morning light by Jan Griffier the Elder, and a large didactic painting of Christ on the Cross surrounded by Luther, Melanchton and the Grand Electors of Saxony by Cranach the Younger and his atelier.

At the Galerie de la Présidence Vlaminck is represented in his early years, full of violent colour, with his blue, red and white tug boat. There are also water, trees, and snow scenes. A still life here harks back to his friend Derain's still life hanging at Schmit's.

At Galerie Hopkins-Thomas there is a retrospective of Berthe Morisot, the woman painter who took part in the first Impressionist exhibition at Nadar's. Manet's sister-in-law, we see her portrait—on the left —in his Balcony. Her beautiful strong face suggests her sensitive painting. Her life's work is one long hymn of love for her daughter Julie, whom we see represented time and again from a round-faced little girl to a dreamy long-haired young woman.

In the wake of the opening of the Musée d'Orsay, Odermatt and Cazeau—two experts—have joined to form a new gallery. There is a Cézanne still life there figuring a vase d'Urbino— the model for which has been donated to the Louvre—and a Monet water lilly painting. Worthy of the Musée Marmottan, it is a variant with a rarity: it seems to be the only time that Monet painted the reflection of the corollas, like dark saucers, underneath the white blooms.

While Odermatt and Cazeau are showing an early Dufy, the Malingus gallery shows the Dufy everybody knows. The rapidly drawn figures mill across panes of strong blues, pale pinks and luxuriant greens in his enchanted world of racing and regattas. Vain, perhaps, but cheering. Merci, Monsieur Malingue.

★

All the galleries close at lunch time. 19th and 20th century French masters, Galerie Schmit, 396, rue Saint-Honoré (42603636), ends July 18th. Peinture Flamande, Galerie d'Art Saint Honoré, 267, rue Saint-Honoré (42601503) ends July 10th. Maurice Vlaminck, Galerie de la Presidence, 90, rue du Faubourg Saint-Honoré (42654960) ends June 30th. Berthe Morisot, Galerie Hopkins-Thomas, 2, rue de Miromesnil (42655105) ends June 18th. 19th and 20th century masters, Galerie Odermatt-Cazeau, 85 bis, rue du Faubourg Saint-Honoré (42669258) ends June 30th. Raoul Dufy, Galerie Daniel Malingue, 26, avenue Matignon (42666033) ends June 20th.

Demon Lovers/Croydon Warehouse

Martin Hoyle

Besides Alan and Dawn there are four video screens on stage. Throughout the story of the couple, introduced as convicted murderers, the screens take on the aspects of each character's unconscious—whether for good, as when Dawn's scornful face pours cold water on the actress's attempts to flamenco with the words, "You're not Spanish!" or for evil, as when they assume personalities of their own and comment contemptuously on the pair.

Alan, a reserved young businessman, falls for Dawn, his secretary. Games and secrecy attend their affair. Gradually we become aware that each has another identity, a Hyde to the everyday Jekyll known to the rest of the world. The saturnine close-up of Alan is called Tony: the voluptuous, hard-faced screen persona of Dawn is the dangerous Terry. Apparent reality, fantasy, repressed desire all interweave in home movies. Finally the flesh and blood couple complacently watch a video of the murder of a little girl they have picked up. The shades of the Moors murderers are evoked.

Stephen Lowe's intriguing play contrasts and blends the levels of consciousness at which his characters operate with these other selves, these "inner traitors," as Alan recognises them to be before yielding to them. The couple's constricting lives—the dull office, *his bedsit, her bedridden grandmother*—make a natural forcing-ground for these *fleurs du mal*. The glamour of fantasy (they re-enact snatches of *Gone with the Wind* and Harry Lime's rational callousness, watch the film *Poltergeist*) brings about a terrible detachment from human reality; or possibly *creates a deeper and more* horrifying reality.

The writing has a perilous tendency to launch into pseudo-poetic language which it does not need. Otherwise, the author directs a tight 90-minutes (no interval). Roger Bourke's spare set flanks the four cyclops-eye screens with minimal furniture for the fleetingly noted real world. George Costigan, deceptively pleasant-looking, and Tanya Myers, slightly stiffer, are the lovers, while Tamzin Griffin cues the videos.

Presented by Meeting Ground Theatre Co in association with Liverpool Playhouse, the grim parable seems to imply a moral nullity, at best neutrality, stemming from the contradictory pressures to which we are all subject. Surely social demands, for all their strains, impose a certain discipline? Or is the rising crime rate a sign that the noble savage is, spontaneous and untrammelled, merely coming into his own?

Neil Young/Wembley Arena

Antony Thorncroft

"The emptiness of money and a name," sang Neil Young at Wembley last week, giving a lie to it all in a blistering performance to an enthralled audience which seemed to have aged in time to the old hippy. Young may come on like a museum exhibit—the sleeveless check shirt, jeans and sneakers are distinctly musty — but the sheer breadth of his sound which ranges from gentle acoustic ballards to thunderous heavy metal—sustained a pitch of excitement rarely achieved by more image-conscious performers.

The audience was thoroughly acquainted with each word, guitar solo, and climax and joined in with enthusiasm. During the back-porch guitar and harmonica number "Reaching out," the front rows sat rapt and still. With the onslaught of "Like a hurricane," they were hurling themselves on to the stage.

The three musicians in Crazy Horse gave Young discreet support, melting into the darkness as soon as he reached for his acoustic, yet suitably thrashing and mindless during the fuzz-box jam sequences. Young was rather like a tormented bull, snorting and stomping through "Tonight the Night"; subdued and confused in the soulful "America"; writhing violently on his back and biting the strings off his guitar in the death-throes of "Rock 'n' Roll will never die (Out of the Blue)."

The love affair between Young and his fans only divided when a huge CND flag was strung across the backdrop for the encores, and the cheers were mixed with hissing. Was this a gesture of second-hand commitment? Young raised a fist; the band looked on in their Vietnam battle fatigues; the audience seemed punch drunk.

Ballets Canadiens/Sadler's Wells

Clement Crisp

Scene from "Le Sacre du Printemps"

Les Grands Ballets Canadiens are in Rosebery Avenue for the next fortnight, and their opening programme on Tuesday was by way of being a calling-card, with a modern classic, *Agon*, and two works made for the company. *Agon* was a slightly heavy-weight introduction. Balanchine's sublimities were honestly set out, but that electric tension which is so central to its style seemed overlaid with a somehow ponderous manner — only Rey Dizon as the man in the first trio conveyed the taut energy that sets the steps ringing across the music.

James Kudelka's version of *Le Sacre du printemps*, made for the company this year, is rather more of a poser. Gone is the ancient ritual of the sacrificial victim; instead, we are shown an unspecified Central European community awaiting the birth of a male child. The accompaniment is the two-piano reduction of the score, given a somewhat amiable reading, and its rhythmic urgency is also adulterated in Mr Kudelka's dances. There is a certain obstetric fascination in watching the gravid heroine, who dances with remarkable energy considering the advanced state of her pregnancy, but the wheeling and stamping of the attendant tribe, the lack of any very raw emotions, turn Stravinsky's inevitabilities into something bland. Andrea Boardman and Jean-Hugues Rochette are tireless as the parents; Mr Kudleka's patternings are ingenious; the music escapes them.

The best of the evening comes with the closing *Tango Accelerando*, wherein Ginette Laurin fragments the attitudes and mechanics of the tango into jagged, vivid action. A brilliant on-stage band, Quartango, provides a sinuous, alert basis for dances; the cast slide, pose, dip and sway; the style is acrobatic, allusive, as the movement breaks and re-forms and beguiles the eye. What did not beguile my eye was the costuming for the women — they look, in their silver sateen outfits, as if they had dropped in from a tacky revue — but on all other counts the piece is a charmer, and done with admirable verve.

Lontano/Elizabeth Hall

David Murray

The Lontano ensemble, with their indefatigable conductor Odaline de la Martinez, continued their good works on Tuesday, though without the audience they should have had. That would be an audience brought up on disco-beat, rhythm as pure metre, without swing and indifferent to melodic pull — the audience which finds Glass and Reich easy to take, but maybe a little fusty already. Anybody who follows pop knows that the deadly mechanical thud of disco can prompt very interesting constructions on top, of which "systems music" is only one species. Lontano treated us to fresher kinds, and had they found a way of tapping the right market there would have been a lot more of us.

The relevant music was by Steve Martland and the American Michael Torke, who have Dutch musical connections of an ideologically populist ilk. (Lontano took advantage of the Dutch presence at the current Almeida Festival to borrow some performers in the know.) Torke's *Vanada* (inspired, quite incomprehensibly, by the late Nabokov *Ada*) is 14 minutes of brisk 4/4 time for pounding piano, brass quartet, electronic stuff and percussion, built around one adjustable pop phrase with easily enough invention to keep the exercise exciting, and a sharp ear for the possibilities of hard-edged day-glo colours.

Martland's *Shoulder to Shoulder* (to be heard again on the last Sunday of this month under Almeida auspices) varies its gait more prudently —there is even a five-in-a-bar section *à la* Brubeck's "Take Five"—but makes good, aggressive play with its trios of trumpets, saxes and trombones. It was pleasing to read in the programme that (a) it was written for the "specifically Left-Wing" Dutch Street Orchestra, which (b) explores "a more radical attitude" to music by playing without a conductor—but (c) was being conducted tonight, at the composer's request. No doubt there is a certain tension between aiming simultaneously at popular impact and at sophisticated credibility. I thought Martland managed it without serious compromise. Again, a piece that deserves to find its market.

The second half of the Lontano programme presumed, I think, a suitably softened-up audience. Messiaen's hard-edged but visionary *Couleurs de la Cité céleste*, with the central piano role in the hands of Shelagh Sutherland, was rather less polished but also less relentless than the recent Sinfonietta performance. In Stravinsky's rehearsal-version of his ballet *Agon*, for two pianos, there were some black-and-white illuminations and some losses. At the lidless piano Gerard Bouwhuis was shaded by his more forward partner, though he managed the castanets for the "Bransle Gay" very well with one socked foot; Cees van Zeeland, who had been a paragon of chunky laid-backery in *Vanada*, confirmed my old-fashioned conviction that fast repeated notes on the piano—in which this *Agon* abounds — never sound resilient enough unless played with alternating fingers. Chopping away with one finger, van Zeeland lost some of Stravinsky's spring.

Royal Philharmonic/Festival Hall

Andrew Clements

Many of the ingredients in Tuesday's concert by the Royal *Philharmonic Orchestra could* have contributed to an evening of rare inspiration. There was a pair of well matched, internationally celebrated instrumentalists assuming a multiplicity of roles — Pinchas Zukerman appeared as conductor and violinist, Shiomo Mintz as violinist and violist — and a programme of three works that could have lit the fuse of memorability, had all the other parameters been correctly assembled.

There were revelations, but they were largely confined to Mintz's command of the viola. I had not heard him before on that instrument; he plays with easy, unforced expressiveness and limpid, unruffled tone, making his points with the minimum of extraneous gestures. In Mozart's E flat Sinfonia Concertante K364 it was Mintz who led the slow movement around to something approaching a coherent statement; Zukerman's direction of the opening Allegro had been lethargic and his own contribution (as it had been in Bach's Double Concerto) marred by consistently sharp intonation.

In Berlioz's *Harold in Italy*, however, the scope of the soloist to influence and unify the course of events is circumscribed. Mintz's playing never lost its poise — it remained beautifully sculptured and refined. The close of March of the *Pilgrims was a tissue of* beautifully realised textures; Zukerman carries over into his conducting a string player's ability to balance smooth, diaphonous sounds though, as later events demonstrated, brass climaxes can still leave him nonplussed. The first movement had been a rocky affair, with contact between viola and orchestra tested at several points, but the second movement seemed to settle things down. Thereafter the conducting acquired a firmer grip and the finale was positively racy, with the RPO's current fitness at last allowed to assert itself with some confidence.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

June 5–June 11

Exhibitions

LONDON

The Tate Gallery. Turner in the new Clore Gallery: The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 19,000 or so watercolours and drawings, has been a source of controversy and dissension ever since it came into the nation's hands more than 130 years ago. Turner had always wished for a gallery to himself which would show all aspects of his work. Whether he would have approved of James Stirling's extension to the Tate as a suitable setting is a nice question. The larger paintings may be hung too low for one who lived in a more ostentatious age, and the tasteful oatmeal Stirling has decreed for the principal galleries is a far cry from the rich plum he is known to have preferred. The vulgar neo-deco of the entrance hall has little to recommend it. But eight rooms for paintings and one for watercolours give room enough, and with the three reserve galleries upstairs, every painting but the few in restoration or on loan is on the wall.

PARIS

French Masters of the 19th and 20th century: From Toulouse-Lautrec's Moulin de la Galette to a rare Gauguin with a landscape of Brittany seen through a luxuriant prism of colours; from a powerful flower composition by Nicolas de Stael to Cezanne's protrait of Madame Cezanne, from a pastel coloured Picasso still life to the most frequently reproduced Degas dancer, the traditional spring exhibition at the Schmitt Gallery can boast not only an exceptionally long list of great names of the period it covers but exceptional quality as well. Galerie Schmit, 396 Rue Saint-Honoré (4260 3636). Closed Sundays and lunch times. Ends July 18.

Berthe Morisot: More than 40 oils, pastels, watercolours, crayons and sculptures retrace the development of the woman painter who, influenced at first by Corot, became a friend of the impressionists and took part in their first exhibition. Galerie Waring Hopkins, Alain Thomas, 2, rue Miromesnil (426 55105). Opened all days except Sundays and lunchtime. Ends June 27.

Raoul Dufy: mediterranean blues, strawberry pinks, the greens of the paddocks blaze in Dufy's magic universe. The expanses of colour are milling with people – people in restaurants, people at concerts, people and horses at the races. Even the trees are alive with countless leaves, regattas with countless boats. Only the nudes seem oddly uncomfortable. Daniel Malingue, 26 Ave Matignon (4266 6033). Closed Sundays, Monday mornings and lunch times. Ends June 20.

Costume-Coutume. Where better to stage an exhibition on clothes and their sociological significance than in Paris, whose very name is synonymous with fashion! The imaginatively presented exhibition ranges from the breeches and tunics of ancient Gauls to the rare exhibits from the 18th century – le Habit Français – and to Edith Piaf's legendary little black dress. Grand Palais (Closed Tue, Wed late closing) ends June 15 (4289 5410).

Tanis, The Gold of the Pharaohs: Part of a dazzling treasure from the tombs of the pharaohs of Lower Egypt is on view in the Grand Palais. Gold, silver and lapis-lazuli funerary masks, pectorals and ceremonial vases were discovered in the late 1930s in the delta of the Nile, in Tanis, the capital of a country torn by internal strife. Yet the relative impoverishment seems to have inspired the royal craftsmen with an elegance whose near-classical restraint appeals to modern sensibility. Grand Palais, closed Tue, Ends July 20 (4289 5410).

WEST GERMANY

Stuttgart, Staatsgalerie: British art in the 20th century organised by the Royal Academy of Arts. The work, covering 1910-70 is not well known in Germany. The extensive display of 250 pictures and sculptures from 70 artists includes works by Henry Moore, Ben Nicholson, Francis Bacon and Anthony Caro. It should help to revise the prejudice that British art is provincial and has not been represented in the avant garde. Ends Aug 9.

ITALY

Venice: Ca Pesaro: American Art in the 60s from the Ludwig Museum in Cologne: Works by 25 artists, from Liechtenstein to Rauschenberg, Oldenburg, Rosenquist, Warhol, Lewitt, Dine, Stella, Noland and Paolozzi. Ends Aug 2.

Milan: Carlo Carra: (1881-1966) the first retrospective in Carra's home-city since 1963, concentrates on the works from the years between the wars, but includes his early futurist and metaphysical paintings, and the notable Funeral of the Anarchist, Galli of 1911, lent by the New York Museum of Modern Art. Ends June 28.

BRUSSELS

Disposition 87, presented by the Irish Club of Belgium, with a catalogue sponsored by the Shannon-based GPA group of companies, offers an introduction to contemporary Irish painting in the RhoK gallery not far from the city centre. The "mother figures" of modern art in Ireland, Evie Hone) Mainie Jellett and Norah McGuinness, are represented with internationally known names like Le Brocquy, Scott, King, Farrell and Ballagh. There is strong work by rising stars like Michael Mulcahy and Pat Harris. Gallery RHoK, 2 Aveneue E. de Thibault, ends June 14.

SPAIN

Madrid, Centro de Arte Reina Sofia, Santa Isabel 52. Baumbilder: 5 German sculptors in Madrid. Ends June 22. Also: American Dreams. 116 photographs by 35 photographers from 1880. Ends July 5.

Barcelona, Auguste Rodin. 80 bronze figures and 40 watercolours on loan by Musée Rodin. Catalogue shows artists' influence on Catalunya's art schools and the Noucentisme. Museo de Arte Moderno, Parque de la Ciudadela. Ends Mid-June.

Madrid, masterpieces of the Duchess of Alba collection. Spain's best private collection offers a thorough view of Spain's history enriched within centuries by family legacies from the 16th century to the 20th. Sculptures, engravings and paintings include Titian, Rubens, Ribera, Rembrandt, Mengs, Goya, Renoir, Beinllure. Centro Cultural la Caixa, Serrano 60. Ends Jun 30.

NEW YORK

Museum of Modern Art: Berlinart 1961-87: An international assortment of 55 artists who worked in Berlin over the past 25 years includes David Hockney, Malcolm Morley and Georg Baselitz. Ends Sept 8.

Guggenheim: The first retrospective of Joan Miro since his death in 1983 includes more than 150 pieces, including paintings objects, collages, ceramics and works on paper that explore the artist's experimental media, methods and primitive inspirations. Ends Aug 23.

Metropolitan Museum: 48 key Impressionist and Post-Impressionist works from the Courtauld Collection tour America, including works by Cézanne, Manet, Renoir, Seurat and Gauguin. Ends June 21.

IBM Gallery: 96 paintings of pre-modern Viennese art from the second half of the nineteenth century includes works by Klimt, Romako and Makart; and 120 drawings show proposed and actual Washington government buildings. Ends July 11.

CHICAGO

Art Institute: The 1985 Grand Palais exhibit of Lartigue's 1920s photographs shows the evocative panoramas and fleeting moments on the streets of Paris between the wars. Ends June 28.

TOKYO

Space in European Art. 120 works (mainly paintings) comprise this cross-section of major art from earliest Greek period to today. The exhibition, one of the largest to travel abroad, is the result of the collaboration of major museums and the Council of Europe. Rarely seen works from private collections are also included. Artists include Dürer, Breughel, Titian, Rubens, Van Dyck, Turner, Monet, Klee, Chagall. Good use of space in the arrangement of exhibits, spread throughout the various galleries of the museum. English labelling plus detailed and informative catalogue. This exhibition is drawing great crowds, so go early in the morning. The National Museum of Western Art, Ueno park. Ends June 14.

Batik from Java: This superb exhibition of this textile art includes many examples of traditional work rarely seen outside Indonesia. Suntory Museum of Art (with splendid views over the city) near Akasakamitsuke subway station. Ends June 28.

Japanese Gold Painted Lacquer: 60 works exemplify the maki-e decoration (gold and silver dust sprinkled on lacquer) of writing boxes, inro (pill cases), chests and other items from daily life. Styles range from the subdued, Chinese-influenced 8th century to the ostentatious flowering of the technique in 18th century. There is no English labelling, so just feast your eyes. Conclude with a stroll in the museum's garden, one of Tokyo's few green oases. Meandering paths at different levels are ideal for exploring and spotting the many old Buddhist stone sculptures hidden in the foliage – a reminder of the (now almost defunct) respect for nature in Japanese thinking. Nezu Art Museum, Minami Aoyama, close to the fashionable, bustling Harajuku-Shibuya area. Ends June 14. Closed Mondays.

Saleroom/Susan Moore

Bear teapot tops

A world record for both a piece of Whieldon pottery and a ceramic teapot was set at Phillips yesterday. The mottled bear teapot, dating to the mid-18th century, went to an anonymous bidder for £55,000 (estimate of £6-8,000). While a number of bear-head teapots are known in salt-glaze, this is the only known and previously unrecorded example in the lead-glaze pottery known as Whieldon. Prices throughout the sale pointed to the increasing strength of the market in naive early English pottery.

Dealer Jonathan Horne paid £5,600 for a pair of early Staffordshire figures of a soldier and sailor (estimate £1,200-£1,500) and £10,450 for a pair of Wedgwood and Bentley agate ware vases and covers (estimate £3-£5,000). A Bohemian ruby-flashed vase and cover estimated at £1,000-£1,300 went to Cozy World for £11,000. The octagonal body was engraved with deer in a woodland scene.

Italian Renaissance medals also soared at Glendinings. Lord Lambton secured a large oval bronze self-portrait by Leone Battista Alberti for twice its estimate, £14,300. It is a version of the only previously documented example, in the Louvre. He also paid twice the estimate, £4,000, for a Matteo de' Pasti bronze medal of the mistress and later wife of Sigismondo Malatesta, of 1446. A large portrait medal of Lorenzo de' Medici by Spinelli of around 1490 went to dealer Cyril Humphries for £7,200 (estimate £2,400-£2,800).

Sotheby's sale of Chinese works of art on Tuesday totalled £1,467,136, with 14 per cent unsold. The top lot of the afternoon session was a 14th century Yuan blue-ground dish which went to a Japanese buyer for £132,000 against an estimate of £50-70,000. A polychrome Jaijing wine jar decorated with golden carp swimming among aquatic plants, similar to a pair in the British Museum, sold for £82,500.

Of the group of good blue and white on offer, the top price of £60,500, double the estimate, was paid for a 14th century dish painted with a lotus pool. The starred lot, a Yuan Dynasty meiping, was bought in. More fortunate was an early Ming fruit bowl finely painted with peony scrolls *which changed hands at £46,200.* Its owner had inherited it from his father, a seacaptain who had bought it in China in 1920.

At Bonhams on Tuesday a Georges Puiforcat silver Art Deco table service, with place settings for 12, was sold for £24,200. The 331-oz service was estimated at £10-15,000.

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Thursday June 11 1987

Still life in Venice

MRS THATCHER made the right comment on the Venice summit by coming home early. Her morning phone-in appearance on British television may well have made more difference to the destiny of nations than any final amendments to the wording of the summit communiqué. This was in essence the document which has been leaked over the past 10 days by officials engaged in the preparatory work; only the question of free navigation of the Gulf was added to the agenda, and here the US's partners carefully limited themselves to oratory. There appears to have been no productive meeting of minds among the canals.

It would be naïve to pretend that this outcome is particularly disappointing: nothing, *after all*, was expected. Three of the leaders present were political lame ducks, and another facting an election; *strong political decisions* were not possible, even if they had been agreed.

Meanwhile the Louvre accord shows at least that *sufficiently* determined central banks can hold exchange rates relatively stable by means of open-ended intervention. For the time being it seems that this substitue for a strategy will have to do.

In a sense the summit came too early. The rest of the world is *still* waiting to see whether Mr Nakasone can win parliamentary approval for his quite ambitious plans to stimulate the Japanese economy, and whether the West Germans will become less *intransigent* if their economy does not revive according to the official timetable.

Debt crisis

Today's figures for the Japanese economy, which grew by only 2½ per cent in the last fiscal year, against an initial official forecast of 4 per cent, will do nothing for the credibility of official optimism, and it is not only to be seen in the surplus countries. No one in the US Administration seems willing yet to acknowledge openly the possibility that the US economy may now be *drifting into* recession despite the enormous scale of government borrowing, because of the burden of private debt.

This would be far more serious, both domestically and internationally, than any shortfall in the surplus countries. They have known remedies to hand, if they are once convinced that they need to use *them. The* US is potentially faced with a deep dilemma, since any further fiscal stimulus is unthinkable, while *the dollar* is dependent on its life support system.

These topics could form the agenda for a genuine crisis *summit if the worst comes to* the worst; meanwhile it is quite understandable if the leaders keep their fingers crossed. *What is unfortunate is that they* did not take the opportunity of meeting in which major strategy was to be left un*changed to address some other* important and hardly marginal problems.

The most obvious is the continuing debt *crisis*. President Alfonsin's address to the industrial leaders, calling for a genuine debt reconsrtuction, seems to *have gone unheard*. Meanwhile the Baker plan for constructive lending appears to be permantly stalled, and the commercial banks are under pressure to make substantial write-offs. Some official initiative might have been hoped for on the anniversary of the Marshall Plan, but it seems that self-interest is no longer as enlightened as it was 40 years ago.

Trade might also have been discussed; President Reagan's gesture in softening some recent US sanctions against Japan should have created the right atmosphere. *This*, however, would certainly have risked disharmony. Three of the seven leaders present are committed to agricultural pro*tection, which reaches its most* absurd extreme in Japan and this issue will certy elain crucial in the current trade round. *However, trade negotia*tions are notoriously slow sa that this issue too could safely be left in the pending file.

This Micawberish approach could still succeed. There are now signs of buoyant private spending in West Germany and Japan, after a rather protected adjustment lag; and trade volumes are now responding strongly to the realignment of exchange rates.

However, time is growing short, because intervention on the *scale set recently courts a* rerun of the monetary inflation of the late 1970s. The question which Venice leaves on the agenda is whether effective political leadership can be re-established in the US and Japan in time to face the real problems which can already be heard stirring just off-stage.

Contorted logic in European steel

THE PROBLEM of excess capacity in the European steel *industry is starting to acquire* the contorted logic of a nightmare in which a runner struggles towards the finishing *post, only to find that it keeps* receding tantalisingly in front of him.

According to the latest esti*mates by the European Com*mission, the industry needs to shed a further 30m tonnes of capacity in the next three years if supply is to be adjusted to demand. That is as much again as has been trimmed since the EC imposed the Davignon regime of production quotas and price controls in 1980.

The next phase threatens to be still more difficult than the last. The failure of efforts by Eurofer, the club of leading EC steelmakers, to devise a voluntary scheme suggests that most of the *easy* cuts have already been made, and that from now on progress can be achieved only by a determined attack on obdurate problems at the industry's core.

Narrow options

Eurofer was able to agree cuts of only 15m tonnes, chiefly in long products made at smaller plants. Its members saw that to go any further would strike raw political nerves, since it would necessitate closures of large integrated mills making flat products, many of which are state-owned and sited in regions of high unemployment.

It is now up to the Commission to square up to the challenge — and its options appear uncomfortably narrow. It appears to have ruled out, for the moment, a return to a free market in flat products for fear of provoking a destructive price war and the spread of illegal government subsidies to national steelmakers.

The Commission may be able to gain some extra leverage by introducing revised production controls which penalise the most chronically inefficient producers more heavily and by making the operation of the system more transparent than at present. It could also keep up the pressure by insisting that the controls be reviewed at least once a year.

However, it has few incentives to offer in exchange for capacity cuts. The costs of the huge further redundancies en*visaged by the Commission far* exceed the Community's own financial resources, and the idea of getting the steel com*panies themselves to contribute* to a special fund looks like a non-starter.

Beyond these practical limitations, though, lies a larger issue. The EC's plans for re-establishing order in the steel market have relied until now on disciplining the producers. But how effective can such an approach be when, as Eurofer has tacitly recognised, the causes of so many of the underlying problems can be traced directly to national capitals?

Skilful diplomacy

It has been all too easy for Community member states to leave Brussels to do the dirty work while quietly undermining its efforts by evading unpalatable policy decisions at home. Unless they are prepared to face up to their responsibilities, the search for durable solutions will be doomed to failure.

The Commission should be prepared to drive this message home hard. That may call for a policy of direct confrontation with individual governments to ensure that they commit themselves firmly to accelerating the rationalisation of their national steel industries. If, as seems likely, the Community cannot shoulder all the social costs involved, the Commission should *insist* that suitable national schemes be set up to absorb redundant steelworkers.

Such an approach would call for determination and skilful diplomacy. However, the Commission has a powerful card up its sleeve. If governments balked at co-operating, it could threaten not to renew EC production controls when they expire at the end of this year.

Given the persistent weakness of steel demand, invoking that sanction would *be likely* to trigger off violent market upheavals. However, that risk may need to be run if the alternative is to continue to tolerate inefficiency and mounting structural surplusses on a scale exceeded only by the Common Agricultural Policy.

Politics Today: Malcolm Rutherford

Hard slog to a third term

THE BRITISH general election of 1987 is unlikely to go down as the happiest that the country has ever held.

Although the opinion polls ended almost as they began, with the Conservatives showing a clear lead throughout, there were *tensions beneath* the surface that suggested that very few of the electorate would be entirely satisfied with the *result*.

The spectacle was not one of the Government marching effortlessly towards victory, nor of the majority of the nation gratefully endorsing eight years of Tory achievements. It was a hard slog all the way. Almost the final memory was of Mrs Thatcher trying to explain to a surgeon and nurse who clearly did not believe her, on Sir Robin Day's Election Call programme, that the health service had been well looked after in her hands. Scepticism prevails.

The Labour Party evinced some hope that its dark days are over and that, under the leadership of Mr Neil Kinnock, it has a future to look forward to. But in the end it stumbled on its non-nuclear defence policy, on the charges that its taxation policy had not been properly thought out, and perhaps on the residual belief that its far left has still not been tamed.

The saddest spectacle of all was that of the Alliance, still desperately hoping in the last days of the campaign for the breakthrough that it had once confidently expected. It seems cruel to recall that only in February Mrs Rosie Barnes was trouncing Labour in the Parliamentary by-election in Greenwich. Yet now it is the Alliance whose future may be in doubt.

All general elections tell us something, however. So what have we learned from the 1987 campaign?

Far and away the most important lesson seems to me the sheer *lack of agreement* in the country about what is really happening. It is said that the election was really conducted on *television*, by *the opinion* polls and at all-ticket meetings where the stars appeared before invited audiences. Yet there *was another election taking* place on the doorsteps and in small meetings in small halls. Party loyalists apart, the *impression that* came over was the general uncertainty about whether the state of the nation is getting better or worse.

Some people had no doubts. That arises from the natural division between the haves and have nots. Clearly a large section of the population has done well out of Mrs Thatcher; otherwise, the Tory share of the vote would never have held up above 40 per cent throughout the campaign. Equally clearly, others have not: perhaps the bottom 15 per cent, though the figure may be higher than that.

> **Much of the population has done well out of Mrs Thatcher**

Yet the distinction between haves and have nots, although obvious a tthe ends of the spectrum, cannot always be rigidly defined. There is a large number of people in the middle and perhaps the more searching question *is* not have or have not, but have what? A yacht or a leak-free roof? And do you measure it against what somebody else has, or what you yourself had a few years ago, what you have now and what you expect in the future?

That is where the confusion begins. It has been most apparent in the argument about the health service which has been *one of* the dominant features of the campaign. No amount of figures is going satisfactorily to answer the question *of whether the service* has got better or worse in Mrs Thatcher's hands. For the fact is that expectations change.

The demographic pattern has altered: more people live longer, and more still could. Medical science has advanced. Thus people want more out of the health service. They are no longer satisfied that the nurse should take their temperature and tuck them up tightly in bed: they want to be talked to. At the same time, doctors and *nurses want more free* weekends, so the demands on the service are continually increasing.

Moreover, conditions are not uniform throughout the country: there are waiting lists at some hospitals for some operations, and not at others. The result is that much of the population is not very sure what to think.

That is why the arguments about numbers have been so sterile. All that we have learned is that any party going for office is going to have to make health care a priority. There was very little discussion of *how to match* limited resources to rising expectations.

The same point might be made about other matters: housing, education, or student grants, for example. At some stage, it must be desirable to say that student grants cannot go on rising indefinitely merely because the students want more. There must be other priorities, or other approaches than grants.

The Conservatives have been particularly blameworthy here. *After eight years in office* and masses of time to prepare the manifesto for the third term, they have forgotten what they *knew so well in 1979: how to* put across a single message simply.

Chancellor Nigel Lawson put it best when he said on television that the election was about peace (note *peace, not* defence) and the state of the economy. It should have been as straightforward as that. Instead, the *Tory proposals for* change are bound down in detail which, it appears, not even all Ministers understand. Assuming the Government *does* win, the next Parliamentary session will be full of horrendously complex legislation and one would not be *surprised to* see the Conservatives rapidly falling in the opinion polls, come the winter.

We have also learned a good deal about Mrs Thatcher, and reactions to her. As Mr Francis Pym used to say: "She doesn't change." The Prime Minister has always tended to divide the country between those who admire her and those who cannot stand her. This time the hostility towards her seems to have grown stronger, perhaps especially among women.

Much of what is said about her is, of course, totally untrue. It is a myth that she does not care about the poor, the sick and the unemployed, and also that she has no sense of humour or self-doubt. It remains, however, *that* many people think it to be true. That is another illustration of the lack of agreement in the country about what is *really going on*. If a third term Thatcher Government quickly runs into difficulties, there will be very little sympathy for her.

As a matter of fact, she presided over the daily Tory press conferences with great verve, and there was frequent good-natural laughter. *But one did* wonder why someone of her experience needed to be always on the spot, *as if something would* be bound to go wrong if she were not.

The electorate was also clearly confused by the divided opposition. It was said frequently that there were really two elections: the battle for who *won*, which looked a foregone conclusion, and the battle for second place. In the event, the *latter seems to* have gone to Labour, though that does not mean that it was not fought.

On the doorsteps you could hear people moving away from the Alliance as they heard the message of the opinion polls. The old saying about the Liberals came back: a third party vote is a wasted vote. But they were also debating how far the Labour Party has really changed. The debate went on until the end, and will be resumed when the election is over. It is as true as it ever was that a divided opposition plays into the Tories' hands.

> ***But hostility towards her seems to have grown***

NO 16—8/8½

One final remark: the stamina *of* all *the protagonists*, including the foot soldiers, has been amazing to the point where one wonders if such frenetic *activity is good for* anyone, voters and candidates alike. The case for fixed-term Parliaments has become *overwhelming*.

THURSDAY BOOK REVIEW

The Politics of Food

By Geoffrey Cannon

Century; £14.95

ARGUMENTS about the food we eat are beginning to divide people into two camps. In the one you will find those whose deepest concern seems to be our *diet*: the *"foodies"* who insist on no red meat, nothing fried, not even a spoonful of sugar and, if possible, a total ban on *additives. The opposition sits* in the other camp, protesting that medical findings are never certain and that, anyhow, forbidden foods are a *matter of* fashion and private choice.

In the first camp there is a *suspicion* that we *cannot* rely on the market alone to diminish the urge of processed food makers to stir in additives. So *their* label writers must be handcuffed by clauses, led to the typesetter by phrases and forced to the printer by stipulated penalties for breach; only then will our food manufacturers be prevented from bamboozling the British people with small print, E-numbers, anonymous flavourings and weasel words in which even the weasel is an artificial concoction.

It is also believed that the British diet is the most unhealthy in the developed world, with the worst-fed being the working classes who live on their chips, processed foods, biscuits and white bread. (The middle classes can look after themselves). Thus a national *food policy* is required to encourage, cajole, subsidise, or even tax the general population into better eating habits.

Over on the other side there is probably a general willingness to rely on the guidance of *the various Government direc*tives on additives. As to the *rest*—fats, sugars and the like—one suspects that there is a *commanding majority of don't* knows.

After a patient sitting with Mr Cannon's book it is *hard not* to come out in guarded sympathy with the "foodies." This is in spite of his style rather than because of it, since Mr Cannon reads like a series of breathless pamphlets. But he always gives chapter and verse: his 388 pages of narrative and argument are backed by 177 pages of evidence, references and index. At the end of the day, his central point, which is that the national intake of food is producer rather than con*sumer led, carries conviction*.

The case runs roughly as follows: Britain has been accustomed to a cheap food policy since the end of the war. By comparison with continental Europeans we are temperamentally low spenders on food. This has provided a market opportunity for a small number of large manufacturers—from Unilever and Allied Lyons, through Tate & Lyle to Cadbury Schweppes—to provide low-cost convenience food with a long shelf life. Saturated fats, processed starches and sugars, and salt (all condemned as unhealthy in large quantities in a variety of studies cited by Mr Cannon) are good preservatives, while artificial flavourings and colourings move such products off the shelves.

All governments have recognised a responsibility to regulate this market, but the chosen mechanism is a series of advisory committees managed through the Ministry of Agriculture, Fisheries and Food, which is a producers' "sponsoring" department, or the Department of Health and Social Security. The people *who serve* as advisers tend to have food-industry connections (Mr Cannon names 246 of them). The *politicians who say most* about the subject are likewise connected (250 are named, by consultancy, company or consti*tuency interest*).

The result is just as concerned with the public interest *as anything else served* up by a clubby group of producers and their supporters. To put it another way, the Committee on Medical Aspects of Food Policy, or the Committee on Toxicity, or the Joint Advisory Committee on Nutrition Education (Jacne) *will* like as not give the manufacturers' convenience the benefit of the doubt, or see their findings ignored if they do not. Mr Cannon demonstrates this in a number of cases; he also points out that much of the work of the most important government-led committees is classed as "officially secret," with commercial *sensitivity being given* as the main excuse. Last year the Government replaced the "difficult" Health Education *Council with something it* presumably hopes will be more compliant. In March it disbanded Jacne, whose chairman, Mr Cannon tells us, objected to "censorship" of its reports.

It would be silly to claim that behind it all is a willingness to ruin the health of the people in the interest of commerce. Mr Cannon makes no such claim—and, anyway, the Government has recently put out leaflets telling people that more exercise, less smoking and less fatty foods would mean less danger of heart disease. The fault lies in the *mechanism of "sponsoring"* departments and producer lobbies.

It could only be corrected by a new mechanism, in which a totally independent ministry of food (or commission on food) was charged with the responsibility for making regulations on additives and providing guidance on other aspects of diet. That would protect the consumer interest and enable the anti-foodies and the don't knows to make educated choices. It might also give the voters a basis for deciding on interventionist policies like subsidising "healthy" foods and penalising the rest.

Joe Rogaly

Men and Matters

Lure of Nine-figure incomes

Trade in your Porsche, pawn your Rolex, and go west young man.

The City of London's sturdy brokers and merchant bankers, trrugging to make ends meet *on a modest six-figure salary* annually, will find it hard to resist the message if they glance at the table of Wall *Street's top earners published* in this weke's Financial World.

Even with Ivan Boesky out of the running—he was prob*ably the firs private individual* ever to earn $100m when he headed the list last year—it still seems quite posible to make a nine-figure income on Wall Street, and to do so by perfectly respectable means.

In fact, according to Financial World, Michel David-Weill, senior partner of Lazard Freres, made $125m last year from his personal stake in Lazard's gigantic investment banking fees. That compares with the paltry $20m earned last year by Lee Iaccocca, America's highest paid corporate executive.

Admittedly, David-Weill, is not entirely a self-made man. His family was one of the Lazard Brothers' original partners and has held onto its stake ever since.

The second and third placed contenders provide much more encouraging examples. George Soros, who occupies the number two position for the second year running, with an estimated income of $80bn to $100m, once sold sandwiches in a workengmen's tea shop in England to hel psupport himself as a student at the London School of Economics after his family fled from Hungary.

Today, he is awidely described as the "world's greatest money anager," havin gtransformed his legendary *Quantum Fund from $4m in* 1969 to $1.5bn—his biggest recent coup bein ga massive speculation against the dollar *last year*.

In third place, Richard Dennis, a commodity trader from Chicago, made about $80m by shorting energy futures and *going long on bonds. Dennis*, who is 38, started speculating with $400 he saved from a pizza-delivery job.

Apart from their humble origins, Messrs Soros and Dennis have other things in common. They devote much of their money to supporting unpromising left-of-centre political campaigns.

Both these giants of the financial market hold conventional Wall Street investment managers and brokers in undisguised contempt. In a soon-to-be published book called the Alchemy of Finance, Soros maintains that he has never looked at stockbrokers' research, and argues that the one certainty in fund management is that, "the market is always wrong."

Another chair

John Harvey-Jones is putting his mouth where his money is. Less than three months after retiring from the top job at Imperial Chemical Industries, he will take over later this month as non-executive chairman at Burns-Anderson, the growing Manchester-based financial services group.

Harvey-Jones will not be a figurehead, according to Alan Moore, who becomes chief executive at Burns-Anderson on the same day. "I see him as an ambassador for the independent sector of the market."

Knowing how many offers Harvey-Jones has received since leaving ICI Moore regards *his catch as a coup: "He does* genuinely want to spend more time with his family and work on his books."

The new chairman will be able to give first-hand testimony about the services offered by his employer.

*University Medical and Gen*eral, a Burns-Anderson subsidiary, has handled his personal financial planning for nearly a year. The £25,000 annual salary which Harvey-Jones will be paid for two to three days per month will now give it some more work to do.

"Which one is the Don't Know Candidate?"

Old reputations

Intimate details of antics which, it is said, certain heads of state used to get up to long ago in their salad days when relaxing from the cares of office, have *been made the bones of* present-day political contention in the Middle East.

A diplomatic confrontation between Turkey and Iran began recently when a Turkish magazine called Akis published a lurid account of what it claimed was *the Ayatollah Khomeini's* private life during his stay in Turkey 20 years ago.

That provoked an outraged cry from Iran. Obligingly the Turkish government ordered the offending issue of the magazine to be seized, and accompanied the action with a lavish apology to Iran.

Shortly afterwards, however, an even more scurrilous account of the supposed private life of Kemel Ataturk, the revered founder of modern Turkey, appeared in a Teheran newspaper, Jumhouri Islam. Coincidence?

Anyway, the indignant Turks demanded that the paper be dealt with as firmly as they had dealt with their own magazine.

Official Turkish sources now claim that apologies have been received from the Iranians. And presumably statesmens' private lives are once again their own in that part of the world, at least for the time being.

Double images

As soon as the polling booths close tonight in the British general election, the irreverent Spitting Image puppets will appear on television "live" at home and overseas to put the whole thing into perspective.

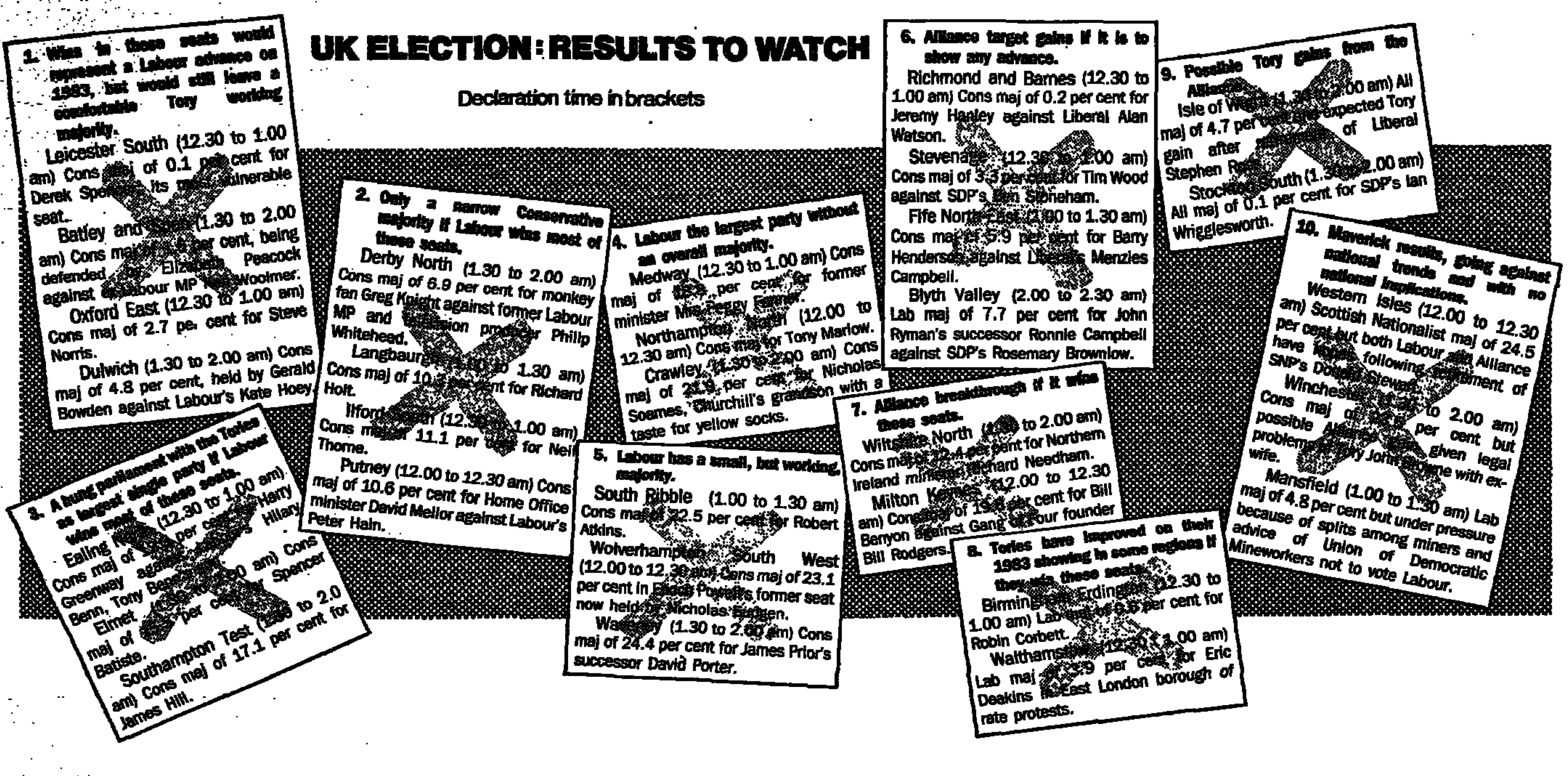
The rubber versions of Margaret Thatcher, Neil Kinnock, and the two Davids, will be available in 15 countries across Europe, as well as pictures of the personalities themselves.

Central television has sold the programme to Super Channel, the British satellite *channel transmitting to Europe*.

The show will precede Super Channel's special report on the election with John Suchet—*which will be available to* a potential audience of 22m on European cable television networks.

Super Channel's election package will also be beamed to British embassies across Europe. But whether the diplomats will be *more interested* in the results or the cheeky puppets is not clear.

Observer



Surprises in the small hours

By Peter Riddell, Political Editor

IT MAY NOT be quite as predictable tonight as the pollsters and the markets expect. *The Tories are, of* course, favourites to be re-elected with a clear, though reduced, majority. But not only could there be errors in the poll projections; there could also be regional variations and local upsets to provide surprises into the small hours.

The opinion polls are not infallible. They were wrong in 1970 and in February 1974. Pollsters have improved their techniques since then. But even in 1983 they, on average, overestimated Conservative support by 2.7 percentage points and underestimated Labour's final share of the vote by *2.1 points.*

This probably reflected a combination of the usual last-minute switch of votes away from the governing party and a margin of error of between 2 and 4 points. Such discrepancies can make quite a difference to the size of the majority.

Some of the fun has been taken out of election broadcasts by the exit surveys. These are *based on interviews with voters* leaving polling stations. In 1983 a Harris Research survey for ITN had an average error of only 0.6 points for the parties' share of the votes, and hence was more accurate than the final polls. The BBC commissioned a Gallup survey of over 4,000 people on the day before the election and on polling day which also produced a small margin of error. Consequently, the initial computer projections of the outcome were within five seats of the final result.

Both ITN and the BBC are *repeating their 1983 exercises.* Just after 10 pm, when the polls have closed, ITN will announce the results of an exit poll of 15,000 voters by Harris Research. Simultaneously, the *BBC will announce the results* of its Gallup survey.

The resulting projections of the distribution of seats in the Commons assume a uniform change in votes. But some psephologists suspect that this *could be misleading. Several* polls concentrating on marginal seats and on particular regions and constituencies suggest there could be variations from the national picture, favouring Labour in Scotland, Yorkshire and the north-west but possibly the Tories in the Midlands.

The accompanying table is a guide to results to watch. If the movement in votes has been uniform across the country, there will be similar results in each of the main categories. However, if there are variations in the pattern of voting, there could be a patchy picture, and uncertainty about the outcome.

After the exit polls the first results should start trickling in about 11.10 pm to 11.20 pm. *Torbay again hopes to be the* first to declare. The size of the Alliance vote will be the first indicator of how well, or badly, it has done. Labour will hope to achieve an early gain at Basildon.

Only about a dozen results are expected by midnight but then the flood will begin, with a peak rate of declarations of over eight a minute just after 1 am.

By then Labour will expect to have gained seats like Newport West, Oxford East, and Slough, and if it is winning Putney, Aberdeen South and Medway, then a tight result is in prospect with a hung parliament possible. If Labour is gaining Ealing Acton and Gloucester around 1 o'clock *then Mr Neil Kinnock may be* on his way to Downing Street.

At its current poll ratings, all the Alliance targets are special situations. It still has hopes of winning Cheltenham (an early declaration), Blyth Valley, Islington South, Winchester, Richmond and Barnes, Hereford, Southend West and Fife North East, with hard-fought battles at Cambridge, Bath, Chelmsford and Stevenage. But the Alliance could lose some existing seats like the Isle of Wight, Colne Valley, Leeds West, Stockton South and Ryedale.

It could also be a night of disappointment and delight for some well-known names. Mr Paul Channon, the Trade and Industry Secretary, is the most vulnerable Cabinet member at Southend West, and Mr Chris Patten, the Minister for Overseas Development, faces a tight finish at Bath. A number of junior ministers are also under pressure in Scotland and the north-west.

On the Labour side, there are certain to be some well-known entrants to the Commons including Mr Ken Livingstone, the former leader of the Greater London Council, Mr David Blunkett, the blind leader of Sheffield council, Mr Bernie Grant from Haringey as one of a probable three to five black MPs, and Mrs Joan Ruddock, the former chairman of the Campaign for Nuclear Disarmament.

All but about 55 of the 650 declarations will come overnight. Unlike 1964 and February 1974 there should be no cliff-hanger lasting all day tomorrow, since, apart from Northern Ireland, most of Friday's results are predictable. So the outcome, whether it is outright victory or a hung parliament, should be clear by 3.00 am.

Samuel Brittan will resume Economic Viewpoint shortly

JOE ROGALY

Capitalism is not enough

BRITISH POLICY in southern Africa is due for a Foreign Office review now that President Botha's Government has been re-elected and we are completing our own local deliberations. There is little doubt about what the outcome should be: first, a simple recognition of the fact that the South African question will not go away and, second, a more difficult acceptance of the impetus that is propelling London towards decisions that will make it increasingly unpopular in Pretoria.

The starting point is the absence of any evidence that *the South African Government* is willing to make the slightest concession to black aspirations. Everything that has happened over the past couple of years points in the opposite direction. Nothing that has happened since the recent election changes that, in spite of President Botha's appeal for negotiations with leading blacks. Many people in Britain will argue that, even so, it is best to maintain links with the republic, in the hope that a peaceful solution will evolve.

This line of thought has powerful support from Chief Mangosuthu Buthelezi, leader of the Zulus. He appealed this this week to the American civil rights leader Leon Sullivan to persist with his fair-employment guidelines for businesses operating in South Africa rather *than abandon them in favour* of a total embargo. "We know that big business has a very definite role to play," Chief Buthelezi said in a letter to Mr Sullivan.

It is tempting to believe that he is right—that capitalism will erode apartheid, just as the advance of industrialisation brought an ever-wider franchise in Britain in the 19th century. As a Johannesburger born and bred, all I can say is that I have heard this argument many times since the Afrikaner Nationalists came to power nearly 40 years ago, and that so far it has proved to be wrong. Economic advance may have produced an emerging black middle-class and rubbed out some job demarcation lines, but political advance has not even begun to follow.

I have another memory of Johannesburg, and that is of visiting an unknown firm of black solicitors when I was a student. Mandela & Tambo, *the* partnership was called. At that time both Mr Nelson Mandela and Mr Oliver Tambo were well-educated, moderate young men: the type that might have become the core of a multi-coloured Establishment if South Africa had followed that route.

Today Chief Buthelezi declines to engage in negotiations with President Botha while Mr Mandela is in prison. He can do no other if he wishes to retain credibility. Mr Tambo, who leads the African National Congress from exile, has impressed most people in the City of London who have met him as a *charming* Christian gentleman. Mr Mandela impressed the Commonwealth Eminent Persons in much the same way. The old firm has, however, called for a total embargo, à la Mr Sullivan rather than the continued involvement of outside companies à la Chief Buthelezi.

Of course if there *was* a total embargo the South African Government might be obliged to make concessions. But even if (when?) Britain imposes economic sanctions at, say, the level chosen by the US Congress that would not constitute a total embargo. It is unlikely that one *will ever be imposed. And the* tragic truth is that a peaceful solution is extremely improbable whatever the pressures.

The Foreign Office will nevertheless be making policy in a world in which the call of Mandela & Tambo is likely to find a strong echo in the US, among some Europeans and, of course, in black Africa. A failure to edge forward on sanctions would put Britain out on a fairly lonely limb. That is not all: the black states bordering South Africa are likely to make further requests for help in defending themselves from Mr Botha's raids. Britain has recently responded sympathetically to Mozambique —but that is unlikely to be the end of the story.

As the situation worsens, so the calls to make this or that statement or take this or that decision will increase. While President Botha remains so unbending, Britain will have little option but to shift the weight of policy in the direction of Mandela & Tambo. No serious review, taking our long-term interests into account, could come to any other conclusion.

Letters to the Editor

Unclear Labour intentions

From Mr N. Ferguson.

Sir,—On June 9 you stated that "employees in Rolls-Royce have extensively taken up the offer of shares in the recently privatised aero-engine company." These employees join others in privatised companies, UK shareholders and institutions, representing pensioners and the millions who own life insurance policies, who now own these companies.

The Labour Party, at its conference in 1986, said it intended to bring back into "social ownership" public utilities such as British Telecom and British Gas. More recently Labour made vague statements about taking strategic stakes in companies such as Rolls-Royce and British Aerospace.

It has been totally unclear how it intends to do this and all shareholders have a right to know exactly how the Labour Party intends to bring about "social ownership." How will shareholders be compensated?

If compensation is to be "special new securities" to replace our shares, what will they be? Security in any public company *is* ultimately represented by profitability. Past records *show* that profitability in nationalised companies was a rarity.

N. W. H. Ferguson
(Investment Manager)
Imperial Group Pension Trust,
Bull Wharf, Redcliff Street,
Bristol.

Legislation on pensions

From Mr H. Wolanski

Sir,—Barry Riley's excellent article (Pension patterns need redesigning, June 4) correctly points out that the advent of personal pensions will have a major impact on the design and operation of occupational pension schemes.

In the article there is discussion of various alternative approaches to the design of occupational pension schemes, including combinations of money purchase and final pay benefits.

What is often not appreciated however is that many of the new approaches which employers might wish to pursue, e.g., providing money purchase benefits for members who leave early and final pay benefits for members who stay until retirement, are not permitted under the existing "preservation" legislation.

This legislation was introduced from 1975 and requires, in broad terms, *that the* benefits for members who leave service must be calculated on the same basis as for members who stay until retirement. The motivation behind this legislation — to protect the rights of early leavers — can be dealt with in many more ways than is currently permitted under the existing legislation.

The preservation legislation is now a major stumbling block to a more creative approach to pension planning and, like occupational pension schemes themselves, needs to be redesigned to reflect current economic and financial conditions.

Hyman Wolanski.
2 London Wall Buildings, EC2

Industrial logic

From Mr N. Pursehouse

Sir,—How right you are in your editorial "Industry goes back to basics" (June 4) to applaud the type of acquisition illustrated by GEC's purchase of Creda, where companies build on their existing strengths in their core activities. Unfortunately a stumbling block to UK companies in their desire to achieve this simple objective is the outdated legislation governing mergers in the UK. This legislation, which seeks to prohibit mergers which result in a combined UK market share in excess of 25 per cent, *is increasingly* out of date in an era of high international competition in manufactured goods.

No wonder then that UK companies are forced to make "subsequently disappointing" overseas acquisitions, instead of obeying the simple industrial logic described in your article.

Neil Pursehouse.
10 Saxton Drive,
Rotherham, Yorks.

Trunk call charges

From Dr J. Hunter

Sir,—Professor Bryan Carsberg, Director General, Office of Telecommunications, (June 4) states that "BT's average local call charges increased by 18.9 per cent at peak rates," whereas in an article on privatisation (June 2) you had stated that the increase in local call charges was 25 per cent.

The difference arises because the increase depends strongly on the call holding time. What Professor Carsberg has calculated is the average increase, based *on a distribution of* call holding times provided by BT and checked by his staff. An alternative approach is to assume a distribution for the call holding time. In the table it has been assumed that this is a negative exponential distribution. (This assumption is traditionally used in capacity planning studies for telephone systems.)

Mean call holding time

1 min	2 min	3 min	4 min	5 min
8.2%	18.0%	22.2%	24.4%	25.8%

BT Local calls peak rate percentage charge increase, November 1986.

Thus, Professor Carsberg's figure of 18.9 per cent relates to an average call holding time *of between two and three* minutes, average over all local calls made at peak rate by BT's customers. Your figure of 25 per cent would apply to those customers of BT whose average local call holding time was in the region of five minutes.

For example, in two recent cases the average call holding times, obtained from extensive call logging, were 2.7 minutes and 2.3 minutes, resulting in an estimated increase of approximately 21 per cent and 19 per cent for these two customers.

(Dr) John M. Hunter,
(Managing Consultant),
Spicer and Pegler Associates.
65 Crutched Friars, EC3.

Manufacturing and sterling

From Mr T. Haran.

Sir—Mr Pemberton (June 4) states that I am seriously misguided if I believe that "savings in raw material costs, *following* a *stronger* pound, compensates UK exporters for their loss of revenue." In my letter (May 28) I wrote, "The disadvantage to exporters is offset by the cheaper cost of imported raw materials." I used the word "offset" in the sense of diminishing and not of eliminating the disadvantage.

Manufacturing industry in Britain has been in decline for many years. The pound has been devalued on several occasions and allowed (or encouraged) to float downwards. Manipulating the exchange rate is simply not the answer to the problem.

Mr Pemberton destroys his case for the manufacturers by describing the UK as "a relatively high cost producer." That is the crux of the matter. It is not the exchange rate which is too high, but the wage level.

Workers were encouraged to pursue the illusory high wage level economy which has priced so many of them out of jobs, has caused others to live in constant fear of redundancy and, among other disadvantages, is steadily moving house prices further beyond their reach.

A national problem cannot be solved by trying to assist a sectional interest and, in putting the protectionist case for the manufacturers, Mr Pemberton is diverting attention from the main issue. Our difficulties lie not in the rising value of sterling but in our addiction to pay increases. If we wish to resolve those difficulties, we must recognise the need to reduce all forms of remuneration throughout the country.

T. B. Haran,
23, *Orchard Road,*
Bromley, Kent.

High European air fares

From Mr D. Sawers.

Sir, — Mr Lucking (June 5) reflects the attitudes which have prevented European airlines matching the efficiency of US airlines when he says that countries need their airlines as a national strategic reserve, and cannot contemplate their being bankrupted by inherently lower cost foreign carriers.

It is difficult to conceive what national strategic interest is protected by the preservation of national airlines when European nations are members of NATO and the European Community. Protective policies as now practised by European nations have made the European airline fleet smaller than it would otherwise have been, though individual nations may have larger fleets than they would otherwise have possessed. They will only have done so where their airlines were too inefficient to be able to match the competition of other airlines, and so where the con*sumer was likely to* suffer most from this protectionism. It has forced fares up to the level that covers the costs of the least efficient airline, so that all European travellers have to suffer to protect the supposed national interests of the inefficient airline's home country.

Mr Lucking does not explain why some airlines should have inherently lower costs than others. *Would he argue* that the costs of US airlines are inherently lower than those of European airlines? Earnings in US airlines are still substantially higher than those in *European airlines*, but the differences in the productivity of labour more than offset these high earnings. European airlines have failed to match the achievements of European manufacturers, *who do match* the costs of US manufacturers, because they have not had to do so in the protected European market. Until this protection from competition is withdrawn, their costs are unlikely to become competitive.

David Sawers,
10 Seaview Avenue,
Angmering-on-Sea,
Sussex.

FINANCIAL TIMES
Thursday June 11 1987

President Chun (right) holds aloft the hand of close ally Roh Tae Woo, chosen by the ruling party as its candidate to succeed Mr Chun, while, *in another part of Seoul, anti-Government protesters, in a fog of tear gas and smoke from petrol bombs, attack* riot police

Thousands in Seoul support protest

BY MAGGIE FORD, KOREA CORRESPONDENT

SOUTH KOREAN protestors, led by students and supported by ordinary people, yesterday turned what should have been a triumph for the ruling Democratic Justice Party into a day of violence and tragedy.

As a student lay helpless on a life support machine after being hit by a tear gas canister fired by riot police the previous day, President Chun Doo Hwan was hailing Mr Roh Tae Woo as his successor at a national convention with all the hallmarks of a jamboree.

Hours later, thousands of people in Seoul responded for the first time to an opposition call to sound their car horns in support of democracy. *At the same time, groups of* students, operating guerrilla style, commandeered a subway train, occupied a hotel and caused the abandonment of an international soccer match when the players were overcome by tear gas.

At least 30 police whose tear gas supplies had run out were badly beaten by hundreds of students gathered outside the central bank. One was seriously hurt. A further 20 police were besieged in a restaurant but escaped uninjured.

Motorists stopped their cars on a flyover to cheer on students throwing rocks at police at the city's main cathedral, in a show of support unprecedented in Seoul. At least 60,000 police had been mobilised to prevent yesterday's demonstration in protest against the country's failure to move towards democracy. Police said 2,000 demonstrators were arrested.

Most of the violence occurred near the city's Hilton Hotel where President Chun and Mr Roh were attending a reception following the convention. Riot police prevented the demonstrators from getting near the hotel, as foreign ambassadors and other dignitaries emerged into the choking fumes of tear gas.

Earlier in the day, more than *7,000 delegates of the ruling Demo*cratic Justice Party had elected Mr Roh as their Presidential candidate in elections later this year by a 99.4 per cent majority.

At a lacklustre convention, where dancing, singing and comic turns failed to generate much enthusiasm, Mr Roh pledged to work towards democracy and constitutional reform after the 1988 Olympic Games. He also promised to increase press freedom and to introduce local elections.

In a comment which hinted at a stronger nationalistic stance in Seoul, Mr Roh said the opposition should help the country to cope with "the self-seeking rivalry" among the big powers over the future of Korea and the increasingly fierce trade war.

President Chun described his classmate and former military colleague as a man he could trust and respect. This was the first time in history that a South Korean ruling party Presidential candidate had been chosen while the incumbent was still in office, President Chun said, adding that he was filled with a sense of accomplishment and would work *towards an illustrious* retirement.

He gave warning that creating confusion by violence outside the political process would obstruct his plans to step down at the end of his term in February next year. Any violent acts would be dealt with sternly.

Mr Kim Young Sam, co-leader of the country's main opposition party, said the choice of Mr Roh simply prolonged the rule of the present regime. It would face resistance and a "tragic culmination," he said.

The opposition is to boycott the Presidential election, which it says it cannot win under the present rules. The protests yesterday suggest that Mr Roh's credentials as a democratic Presidential candidate have not been accepted by the people.

The student who was hit by a tear gas canister came from Kwangju, the town where hundreds were killed in a 1980 uprising against the Chun regime. His death, which appears likely, will exacerbate their anger.

Late last month the Government was forced to sack six senior mem*bers of the Government because of* outrage over the cover-up of the investigation into the death through police torture of another student in January. *Yesterday's outburst of* frustration appears to be a sign that the changes were seen to be cosmetic, and that only real moves towards democracy *will* be acceptable.

Long poll night awaits London's dealers

By Terry Byland in London

MANY OF the players in London's share, bond and foreign exchange markets will be staying at the office late tonight, anxiously reacting to early results in the British general election.

By nine o'clock the first significant guide will emerge to the election's outcome, on which substantial amounts of the City of London's money and, perhaps, many jobs, are riding. But the activity in many offices will continue well into tomorrow morning as dealers plug into movements on foreign exchanges.

At Chase Manhattan Securities trading room, hard by the Bank of England, Mr Kenneth Ayers, *business manager on the* gilts side, is resigned to a long, hard night. "Any sleep will be a bonus", he says although like the rest of the City of London he is prepared to play the first post-Big Bang election session as it comes.

Dealers in British Government bonds see themselves as very much at the sharp end as polling day looms.

Bond prices, riding close to all-time highs, and boosted in early *dealings yesterday* by a firm pound, will be vulnerable tonight to overseas reaction to the UK election results at a time when London is still sound asleep.

UK bonds eased in late trading last night after another outbreak of *the opinion* poll rumours which unsettled the London market last week.

The rumours surrounded the findings of the final Mori poll which will be published this morning and is regarded as the most significant indication of the election outcome. They originated from the Liffe futures pits, which have assumed from the old London Stock Exchange trading floor the mantle of chief originator of unpleasant stories.

The rumours of a narrowing in the Government's lead, although completely unsupported during market trading hours, were also reflected in a reversal in the early firmness in the pound. The sterling exchange rate index is *seen by gilts dealers as a key in*dicator of foreign confidence in UK securities markets.

Much of the pre-election strength of the UK markets, which took the FT-SE 100 index to a peak on Tuesday, is founded *on expectation that a strong vic*tory for the Conservative Government at today's election would trigger a renewal of foreign, and particularly of Japanese demand for UK securities.

Last night's easier trend in the London markets reaffirmed the significance of the opinion polls which have dominated securities trading for the past three weeks, *overshadowing even such inter*national factors as the Venice Summit and the reshuffle at the top of the US Federal Reserve Board.

London markets opened cautiously yesterday morning after the latest polls showed little change from recent findings which have tended to confirm the Government's lead. However, while gilts took their lead from sterling and edged ahead, shares opened lower as traders watched a television survey suggesting improved ratings for the opposition parties in marginal constituencies.

Turnover was *thin* in both sectors, however, and traders saw little beyond a balancing of positions by the major institutions which have already assumed their pre-election stances.

The City of London will be making an early start on Friday morning. The stock exchange Seaq reporting system will start updating marketmaker quotations at 7.00am, and the equity traders will hold their morning meetings around the same time.

If the election goes well for the Conservatives, then both bonds and the recent equity privatisation issues, such as British Gas, British Telecommunications and British Airways, are expected to extend their pre-election gains.

But over both sectors hangs the awareness that prices have been discounting a Conservative victory and could react to the news. And, hidden away in the City's cupboards, is *the spectre of* a hung Parliament or a Labour success, either of which would require some nimble footwork in the futures pits.

THE LEX COLUMN

All over bar the voting

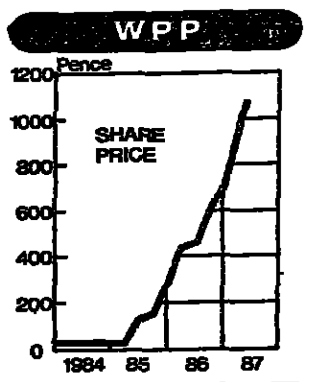
Despite the attack of eve of poll nerves yesterday, the UK markets are giving little weight to the chances of the new Prime Minister *being any other than the one who* sought a dissolution a few weeks ago. And by Friday the event towards which the markets have been working for months will be over. Those who have looked beyond polling day have generally seen no further than the supposed tidal wave of foreign money which is to break into the gilt-edged and equity markets.

Domestic investors appear to be fully invested, dreading missing out on this bonanza, and market makers are reputed to have positioned their books to cope with the onslaught. It is as if a used-car salesman had spotted a gullible buyer coming. But foreign investors are not that stupid; a bit of thought will tell them that if they hold back now prices will probably get cheaper. Those brokers staying at their trading desks all through election night to cope with the flood of orders from Tokyo may yet fall asleep in front of the television with the rest *of the nation.*

Buying of sterling may be rather more immediate though, but only partly in response to an election *win for the Tories. The Venice sum*mit appears to have produced nothing concrete to bolster the dollar, and it is unlikely that the round of post-summit remarks will either. Economic co-ordination is fine in principle but will come to nothing if individual countries refuse, as they undoubtedly will, to make necessary but unpleasant policy adjustments. And the current level of exchange rates is sustainable only if those adjustments are forthcoming. A poor set of US trade and producer prices figures on Friday could spark *off some more dollar/sterling* switching.

Another rush of money into the pound could require Bank of Eng*land* intervention on *the massive* scale seen a couple of months ago. In turn that would cause problems for the gilt market if the authorities stick with the policy of selling more gilts to offset the effect of intervention on the money supply. Even a handsome Tory victory may not see yields very much lower than this.

On the off-chance that the Tories cannot form a government alone, or *only* with a majority slim enough to be wiped out by deaths and defections, the rush for the door will be frightening. Time then for some more studies showing how markets perform nearly as well under non-Conservative administrations.



Pilkington

Having doubled Pilkington's worth in less than one year, the market seems to require a consistent stream of pleasant surprises. Beating the defence forecast by only £8m was thus the occasion for some profit-taking despite confident predictions that the unit cost *to price gap will continue to widen.* The outlook for the European flat and safety glass markets – accounting for the bulk of profits – does indeed look strong for at least two years (barring international hiccups), and Pilkington's continued cost-cutting combined with faster US growth should ensure a steady rise in earnings.

A prospective multiple of 10.3 does not fully reflect the immediate potential for such a cash-generative business, but investors may be discounting a rights issue to speed diversification into the opthalmic and electro-optical sectors. Following the Libbey-Owens-Ford acquisition, the aim of 30 per cent of earnings *from these new areas by the early* 1990's is receding (despite heavy investment) and, given the current wafer thin margins, could only be achieved by acquisition.

That is probably an insufficient explanation for Pilkington's slight underperformance since January (nothing, of course, relative to BTR's). The market's earlier slothfulness in granting the rerating, abetted by Pilkington's old hauteur, might also be dogging the price. Fund managers may fear that the analytical insularity which failed to forsee Pilkington's profit take-off could now be missing dangers ahead. Such caution is excessive, as is a 15 per cent discount to the sector.

WPP/JWT

At this rate, Reliant Motor will *soon be bidding for General Motors.* But the latest in the series of British-minnow-swallows-American-whale stories concerns the am*bitious, if insubstantial,* WPP and the troubled JWT Group, the world no. 4 advertising agency. Unlike Valor for Yale and Majestic for Liquor Barn, however, this is not an agreed deal, and JWT can be expected to resist fiercely at $45 a share.

£7m or so book profit which WPP is showing on 480,000 JWT shares picked up at an average of $31. This enables it to underwrite an equity financing in the UK through a conditional rights issue without the fear that it would inevitably be crippled by underwriting costs and other expenses should the bid fail.

Crucially, too, Samuel Montagu and Citibank are ready to lend £120m *on* a cash flow basis, without worrying that the post-acquisition balance sheet of WPP would amount to a particularly intense black hole, given a near £80m deficiency of assets after the write-off of goodwill. The goodwill problem, in fact, is precisely what lets a British company like WPP in with a chance against potential US rivals, because goodwill amortisation would make a takeover seem very expensive for an American company.

The UK market loved it yesterday, *swallowing* an innovative underwriting deal and pushing the WPP share price up £¾ to £11¼. No matter that the earnings arithmetic *underpinning the deal is of the* magic wand variety, whereby it is airily assumed that JWT's pre-tax margin on turnover will rise to 10 per cent from 4 per cent last year. The news, after all, gave valuable relief from General Election drudgery.

But JWT has a number of other options, and when it comes to leveraged financing New York can still steal a march or two on the City of London.

BBC starts European satellite service

By Raymond Snoddy in London

*THE BBC tomorrow begins deliver*ing the World Service and programmes in a number of other languages all round Europe by satellite with studio quality stereo sound.

The programmes will be available eight hours a day for cable networks all over Western Europe and for re-broadcasting live by national broadcasters.

The BBC has been given access to two stereo channels on the commercial telecommunications satellite Intelsat V.

The new method of distributing radio programmes in addition to medium and short wave is the result of the deal between BBC Enterprises and KTA8, the Danish telephone company, to take eight hours of BBC I and BBC 2 television programmes a day. The radio signal *is* being carried on the *spare* audio channels that accompany the television pictures.

The BBC says it is the first European international broadcaster to deliver its programmes by satellite.

One channel will be devoted to the English-language World Service. The other will carry programmes in French, German, Polish, Slovene, Finnish, Serbo-Croat, Hungarian and Arabic.

"By tapping into the World Service or our language service stream or both, cable operators and radio stations will become even more attractive to their existing audience," Mr Peter Udall, BBC controller of European services said yesterday.

The BBC hopes that more radio stations will now re-broadcast its programmes. In the past, short wave reception was often not of good enough quality.

BBC External Services is also talking with Super Channel, the *British satellite service transmitted* 24-hours a day to 14 European countries, about the possibility of delivering the World Service to cable subscribers with the television picture.

Allegis chief resigns as board prepares to dismantle group

BY JAMES BUCHAN IN NEW YORK

ALLEGIS, the embattled Chicago-based travel conglomerate, is to sell off *its car rental and hotel subsidia*ries and reshape its airline business after a dramatic shake-up in its senior management.

Mr Richard Ferris, responding to intense pressure from institutional shareholders, Wall Street and pilots to break up the company, resigned as chief executive late on Tuesday night after fellow directors withdrew support for his policies.

His departure marks the end of a controversial strategy to link United Airlines, Hertz car rental and the Westin and Hilton International *hotel chains in an integrated com*pany capable of serving all the needs of travellers.

In a statement issued after a late-*night meeting in New York,* the Allegis board said it had asked its financial advisers to consider the sale of Hertz and the hotel groups and a *recapitalisation of United Air*lines, "potentially involving the active participation of all employee groups."

Allegis' stock leapt $2 yesterday to close at $92¾ amid expectations that buyers will pay premiums for the businesses for sale. Wall Street values Hertz at about $800m and Westin at between $400m and $600m, while the Barclay brothers, two UK-based financiers, are said to have offered $1bn in cash for Hilton International as part of a $5bn *offer for the group from the United* pilots. Allegis' financial advisers are the Wall Street firms First Boston and Morgan Stanley.

In a further repudiation of Mr Ferris, the board said it intends to drop the name Allegis, adopted only on May 1 to reflect the integrated travel concept, in favour of United Airlines.

Mr Frank Olson, the Hertz chair*man, who takes over as chairman* and chief executive of the group, said he would hold discussions both with the airline pilots and with Coniston Partners, a trio of New York investors which owns 13 per cent of Allegis and has been pushing to unseat the board and break up the company.

The pilots have offered over $300m a year in wage and other concessions if their offer succeeds and Mr Rick Dubinsky, chairman of the United *pilots'* union, warned yesterday that these concessions "are only available under a plan such as ours."

Coniston also warned yesterday that it would seek to challenge a defensive deal negotiated by Mr Fer*ris last* month which gives Boeing, the aircraft maker, options over 16 per cent of Allegis. The deal has already handed Boeings paper profit of nearly $200m.

Botha attacks ANC 'terror' as state of emergency is extended

BY ANTHONY ROBINSON IN JOHANNESBURG

PRESIDENT P.W. BOTHA last night announced his Government's decision to extend the nationwide state of emergency promulgated on June 12 last year. Emergency powers are valid only for 12 months and must be formally renewed before expiry under the 1953 Public Safety Act.

Mr Botha told a joint sitting of the tri-cameral Parliament that he *had decided* to extend the state of emergency because "the background of violence and unrest being planned and executed, which led to the *emergency last year, still* exists."

He accused the African National Congress (ANC) of running a "so-*called regional-politico-military* committee" in Mozambique which, he said, "plays a cardinal role in the underground terror network in *South and southern Africa.*"

Mr Botha said the committee was the chief canal for the provision of explosives and military equipment to ANC elements in Swaziland from where they were covertly passed on to "terrorists" in South Africa.

In a televised address to the nation, Mr Botha repeated his attack on the ANC and rejected calls for negotiation. "We will not talk to these people, we will fight them for the simple reason that they are part and parcel of the terrorist curse besetting the world of today. We reject them for their philosophy of violence and terror," he said.

Mr Botha, whose National Party Government was re-elected with an increased majority in the May 6 *whites-only election, accused* ANC leaders of "living in luxury in foreign capitals" while ensuring the continued incarceration of "former *and now aged leaders" by refusing* them permission to abandon violence. This was a clear reference to jailed ANC leaders such as Mr Nelson Mandela who has been in jail since 1962. Mr Mandela has been promised release provided he publicly rejects violence.

Mr Botha also accused the ANC *of being* "the direct cause of *strife,* dissent, and disorder" in the townships and of "intimidating companies to disinvest from our country."

Earlier, the Bureau for Information released figures which showed a 79 per cent reduction in "unrest incidents" since June 12 and a 64 per cent drop in deaths caused by flaming rubber tyre "necklace" attacks. It added that the emergency measures had enabled the authorities to restore community services to black areas and had contributed to an increase in business confidence.

Capitalism not enough, Page 19

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	23	73	Dubrovnik	S	27	81	Malta	S	26	79	Rhodes	S	28	82
Algiers	T	21	70	Edinburgh	F	12	54	Manchester	C	12	54	Rio de J'o	C	25	77
Amsterdam	F	15	59	Faro	S	21	70	Manila	R	27	81	Rome	S	23	73
Athens	S	29	84	Florence	S	24	75	Melbourne	S	19	66	Salzburg	F	17	63
Bahrain	S	35	95	Frankfurt	F	17	63	Mexico City	S	24	75	San Francisco	C	17	63
Bangkok	S	33	91	Funchal	F	24	75	Miami	C	30	87	Seoul	S	28	82
Barcelona	F	21	70	Geneva	S	19	66	Milan	F	21	70	Singapore	F	33	91
Beirut	S	23	73	Gibraltar	S	21	70	Montreal	R	19	66	Stockholm	C	15	59
Belfast	C	10	50	Glasgow	C	14	57	Moscow	F	25	77	Strasbourg	F	18	64
Belgrade	F	30	86	Guernsey	R	10	50	Munich	F	17	63	Sydney	F	17	63
Berlin	F	29	84	Helsinki	S	18	64	Nairobi	C	24	75	Taipei	C	25	77
Biarritz	F	23	73	H. Kong	S	27	81	Naples	S	27	81	Tangier	F	21	70
Bombay	R	26	79	Innsbruck	S	17	63	Nassau	S	30	87	Tel Aviv	S	27	81
Bordeaux	F	22	72	Inverness	F	10	50	New Delhi	F	26	79	Tenerife	S	25	77
Brussels	F	16	61	Islamabad	S	33	91	New York	S	27	81	Tokyo	R	17	63
Budapest	F	25	77	Istanbul	S	29	84	Nice	F	20	68	Toronto	C	15	59
B. Aires	S	22	71	Jakarta	C	33	91	Nicosia	S	33	91	Tunis	S	27	81
Cairo	S	33	91	Jersey	R	12	54	Oporto	C	17	63	Valencia	F	23	73
Cape Town	S	17	63	Jo'burg	S	17	63	Oslo	C	13	55	Venice	S	23	73
Caracas	C	26	79	Lima	C	22	72	Paris	C	16	61	Vienna	F	20	68
Casablanca	S	22	72	Lisbon	C	19	66	Peking	S	29	84	Warsaw	C	17	63
Chicago	R	20	68	London	F	14	57	Prague	F	15	59	Washington	—	—	—
Cologne	F	17	63	Los Angeles	C	26	79	Reykjavik	S	9	48	Zurich	S	17	63
Copenhagen	F	16	61	Luxembourg	F	15	59								
Corfu	S	27	81	Madrid	S	19	66								
Dallas	C	22	72	Majorca	F	21	70								
Dublin	R	9	48	Malaga	S	25	77								

Readings at mid-day yesterday:
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Toyota may produce at Volkswagen factory

BY CARLA RAPOPORT IN TOKYO AND ANDREW FISHER IN FRANKFURT

VOLKSWAGEN is in talks with Toyota which, it is believed, could lead to the Japanese motor group's manufacturing commercial vehicles in West Germany by next year.

Volkswagen confirmed yesterday it was talking to Toyota, Japan's largest carmaker, *following* reports in leading Japanese newspapers that Toyota was considering taking up excess capacity at one of VW's factories, believed to be at Hanover, to produce at least 2,500 commercial vehicles a month.

VW said no definite decisions had emerged from its discussions with Toyota. It declined to say how long the talks had been going on or whether they concerned only commercial vehicles.

The move would confirm months of speculation that Toyota is to establish a production base in Europe. Japanese motor manufacturers have come under increasingly heavy fire from the European Community in the past six months because of their rising exports to Europe. A deal with VW would allow Toyota to expand in the community *without aggravating trade tensions.*

INTERNATIONAL APPOINTMENTS

Jardine Matheson makes change at top level

BY DONALD MACLEAN

JARDINE MATHESON, the trading company based in Hong Kong, and the traditionally-called, princely hong, has announced a change in management that takes Mr Simon Keswick, 45, to a single post as chairman, rather than holding the twin posts of chairman and managing director.

Mr Brian M. Powers, 37, has taken over the managing director's role. The announcement of this change took place at Jardine's annual meeting, at which Mr Keswick, chairman and managing director since 1983, announced that Mr Powers had also been appointed managing director of three holding companies within the group: Jardine Strategic Holdings, Dairy Farm International Holdings, and Mandarin Oriental International, which play various roles in the diversified Jardine structure.

Mr Powers has also become a joint managing director of Hongkong Land Company, the property-based concern that is a Jardine associate.

Mr Keswick remains as chairman of these four companies and is to continue as a joint managing director of Hongkong Land. Mr Nigel Rich, Mr Owen Price and Mr Peter Tyrie remain, respectively, chief executives of the Hongkong Land, Dairy Farm and Mandarin Oriental operating companies.

In commenting on the appointment, Mr Keswick says: "The recent restructuring and resultant expansion of the Jardine Matheson Group has dictated that the Chairman and Managing Director functions should be separated. The separation of these functions and today's (June 4) appointment, together with the establishment of the Jardine Pacific Regional Board and the other senior management appointments announced in March, bring our management organisation fully into line with the Group's new operating structure."

Mr Powers says: "It is a particularly exciting time to be assuming this position. Our group has been fully restored to financial health, our operating businesses are performing well, and we are now positioned to pursue expansion opportunities."

Mr Powers has been an executive director of Jardine Matheson Holdings since 1986 and has been a director of Hongkong Land, Jardine Strategic Holdings, Dairy Farm and Mandarin Oriental.

Financial resignation at Amax

FINANCIAL TIMES REPORTER

AMAX, of the US, the producer of molybdenum, the metal hardening agent, has announced that Mr Martin Alonzo, 55, has resigned from the position of chief financial officer and from the company, with effect from July 1.

His leaving the company after 20 years leaves open the question of who is to take over this post in the Connecticut concern. Mr Alonzo has left in order to pursue opportunities elsewhere.

* * *

BROWNING-FERRIS Industries, of the US, has announced the election of Mr William D. Ruckelshaus to its board. Browning-Ferris is involved in waste disposal.

Switch at Lotus Development

By Louise Kehoe in San Francisco

LOTUS DEVELOPMENT, the leading US personal computer software concern, best known for its widely used "Lotus 1-2-3" spreadsheet programme, has announced that Mr Mick Prokopis, chief financial officer and senior vice-president of finance and operations is to leave.

Mr Prokopis, who joined Lotus in March, 1985, is leaving "on good terms to pursue other business interest," Lotus says. The company has yet to name a replacement, but Mr Prokopis is to remain with the company for a transition period.

Lotus has also said that rumours that Mr James Manzi, its chairman and chief executive, was leaving the company were "completely false."

L.F. Rothschild move

L. F. ROTHSCHILD Holdings, the New York investment house, that has lately changed its name, after changes in key personnel, has appointed Mr Joel Miller, 46, chief financial officer.

The post of chief financial officer is a newly created one. Mr Miller joins the group from Arthur Andersen & Company, the US-based international accountancy concern, where he was a director of the financial services group.

Operations move by troubled Scitex

BY JUDITH MALTZ IN JERUSALEM

MR ARIE ROSENFELD has been appointed chief operating officer and executive vice president of Scitex the troubled Israeli manufacturer of computerised imaging equipment, for the publishing industry.

He replaces Dr Ben-Zion Naveh who has moved over to the position of executive vice president of the company and will be in charge of developing new marketing programmes.

A 19-year veteran of Scitex, Mr Rosenfeld has since 1974 served as president of Scitex Europe, the sales and marketing subsidiary of the company based in Brussels.

Mr Efraim Arazi, founder and chairman of the company, says the reorganisation represents "an extension of the efficiency programmes current under way at Scitex." In 1986, the company suffered $34m in losses, almost triple the previous year's level.

Mr Arazi adds that the managerial changes marked the "transition to an increased level of new products and shipments and greater focus on the pre-press and electronics printing businesses."

Financial analysts bring in new man at senior post

BY OUR FINANCIAL STAFF

MR TOM HANSBERGER, president of Templeton, Galbraith & Hansberger, the New York fund management company which is listed on the London Stock Exchange, has been elected chairman of the Financial Analysts Federation.

The federation, which has its headquarters in New York, represents 16,000 analysts in 13 countries. The UK Society of Investment Analysts is associated with the FAF through the European Federation of Financial Analysts Societies. Mr Hansberger's appointment will run for a year from June 30.

Templeton, Galbraith & Hansberger manages funds of $11.7bn and is based in the Bahamas.

Accountancy Appointments

Financial Director (Designate)

c.£35,000 + Bonus + Car

Middlesex

This is an outstanding opportunity to join a young and highly successful group of companies engaged in worldwide trading, marketing and overseas project management. As well as representing major international companies, our client has its own impressive product base, with a strong presence and sales record in key markets overseas. With current turnover in the region of £30m, the group is set for further expansion both organically and by acquisition.

Reporting to the Chief Executive, the Financial Director will have complete responsibility for the financial operations of this international multicurrency business: group reporting; corporate planning and acquisition appraisal; cash management and money market operations; taxation; systems development and tight financial and management controls.

Candidates should be qualified chartered accountants, probably aged between 35 and 45, with experience of a senior financial management role in a multicurrency service industry. Personal strengths should include drive, a profit driven attitude to business and the personality to succeed in a sales and marketing driven organisation.

Please reply in confidence, giving concise career, personal and salary details to:
Sarah Orwin, Ref. ER933,
Arthur Young Corporate Resourcing,
Citadel House, 5-11 Fetter Lane,
London EC4A 1DH.

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For a discussion of the prospects we offer contact, in full confidence, Warwick Holland or David Sattin on 01-831 0431 (evenings 01-441 8468) at Michael Page International, 39-41 Parker Street, London WC2B 5LH.

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Financial Controller

Central London

Salary Negotiable

Our client is a prestigious and progressive professional society with around 7,000 members in the UK and overseas. As well as organising regular meetings and conferences in various parts of the country, they also generate a substantial income through publishing and distributing a range of scientific journals throughout the world.

A skilled Financial Controller is now required to be responsible to the Executive Secretary for all financial aspects of the Society's affairs, including the control and investment of funds in excess of £4 million using professional advisers. A significant element of the job will involve the development of a computerised accounting system for the Society's various activities.

They are seeking a Qualified Accountant with broad based accounting experience including the preparation of budgets, forecasts, regular management information and annual accounts. Experience of computer-based systems is essential and some exposure to the investment of surplus funds would be helpful.

An attractive remuneration package will be offered and there is ample scope to contribute to the continuing success of the Society.

Please send concise details, including current salary and daytime telephone number, quoting reference B2032, to W S Gilliland, Executive Selection Division,

Grant Thornton
Management Consultants
Fairfax House, Fulwood Place, London WC1V 6DW.

MANAGER UK TAX

Gabriel Duffy Consultancy

PUTNEY BRIDGE

c.£28,000 + Bonus + Car

Our client, International Computers Ltd., requires a young and ambitious tax specialist to assume responsibility for all the U.K. tax affairs of the Group.

Ideal applicants will be in their late twenties or early thirties, with a proven record in top level corporate tax. The preference is for an Honours Graduate with a recognised accountancy and/or taxation qualification.

The job holder will report to the Manager, Worldwide Tax and become progressively involved in the sphere of international taxation. Good communicative and general interpersonal skills are essential, including the capacity to interpret technical matters and taxation strategies for other senior managers who are non-specialists. There will also be liaison with various external tax advisors, the Inland Revenue and VAT Officials. Career prospects are excellent.

Other benefits include 25 days annual holiday and private medical insurance.

For further particulars please contact **Gabriel Duffy** or **Fiona Bailey** on **01 831 2288.**
Evenings/weekends phone 01 968 5634 or 0273 733797.

Gabriel Duffy Consultancy, Financial Selection and Search, 31 Southampton Row, London WC1B 5HJ.

Financial director

West Yorkshire, c.£30,000 + car + profit share

C&L

This is a long established, successful, £30 million turnover independent Company producing speciality chemicals for world markets. It is starting an exciting period of planned diversification and growth.

It seeks a Financial Director to strengthen and supplement a committed, technically orientated board. Prime tasks are to further develop and refine financial control and reporting systems, provide enhanced management information for profit improvement, performance monitoring and cost control, and to derive and implement the dynamic financial strategy essential for the future.

The ideal candidate is a qualified accountant, aged 35/40, an able business executive with wide senior level industrial financial experience. The ability to bring to life financial data needed at all levels in the organisation is essential, together with a good knowledge of currency dealing and financial markets.

The attractive package will include assistance with relocation expenses where appropriate. Please apply in confidence, with brief cv and daytime telephone number, to Tony Potter, Ref. 711TPF.

Coopers & Lybrand Executive Selection

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Executive Selection Limited
Albion Court 5 Albion Place
Leeds LS1 6JP
0532-431343

FINANCIAL CONTROLLER

£45k-£50k

+ Bank Benefits

This major European Bank is looking for a senior financial officer to assume responsibility for the Accounting, Operations, Systems and Support Services. The requirement is for an ACA/FCA with banking experience, probably aged between 35-45 with exposure to both systems development and regulatory reporting.

Proven ability to manage staff through line management is essential.

Interested candidates with appropriate experience should send their curriculum vitae in complete confidence to:

Tom Kerrigan
Associates Limited
20 Wormwood Street
Bishopsgate
London EC2M 1RQ

Should you wish to discuss the position prior to submitting your curriculum vitae call Tom Kerrigan on 01-588 4303.

FINANCE DIRECTOR

South Coast — Competitive Remuneration and Profit Share

A major division within the Barratt Group, Barratt Southampton Ltd., builds a wide range of homes throughout the South Coast including the prestigious residential and commercial development at Brighton Marina Village.

The Company based in Eastleigh, Hampshire is poised to expand its market share of quality housing in this attractive area of the country and an *exceptional opportunity now* exists for a first-class Chartered Accountant to join our Board in the combined role of Finance Director and Company Secretary.

Probably aged in your mid 30's to mid 40's you must have extensive commercial/industrial experience in all aspects of financial management.

The position commands a competitive salary, profit share, executive car, BUPA and the usual large company benefits.

Please send full cv, in strict confidence to:
Thomas Russell,
Managing Director,
Barratt Southampton Limited,
Mitchell House,
40-60 Southampton Road,
Eastleigh, Hants SO5 5PA.

BARRATT

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It's an exciting world and for young ambitiously mobile, part or recently qualified Accountants in their mid 20's with experience/knowledge of the oil industry, LASMO presents challenging, high-profile international career opportunities.

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Operational audit work is carried out by a team of auditors drawn from joint venture participants. You will be LASMO's representative, often as Lead Auditor charged with ensuring that local operators fulfil their financial stewardship responsibilities efficiently and reliably. A number of assignments will be in overseas locations.

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With many of LASMO's operations run from London, your responsibility will be to monitor, control and report on expenditure incurred on exploration ventures through the design and implementation of financial systems and controls, often personally setting up and running local accounting functions overseas.

Both positions require international travel and temporary residence in countries as far apart as Gabon, Italy, Pakistan and Australia. The total remuneration package carries occasional overseas allowances in addition to an excellent base salary and a benefits profile associated with a major employer.

For additional information call **Keith Elms** at **Christian Davies Consultants**, Four Rivers House, Fentiman Walk, Hertford, Herts. SG14 1DB, **(0992) 501122**, or alternatively forward a comprehensive cv to him quoting reference CD035.

LASMO

London & Scottish Marine Oil PLC

FINANCIAL CONTROLLER

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Our client is one of the most successful regional banks in the USA. The UK business is heavily geared towards investment banking and has recently acquired a major UK stockbroker. They now seek an outstanding accountant as head of their banking-related finance function.

This individual will have responsibility for all management, financial and tax information both for the traditional banking activities and a variety of new capital market products. The individual will also be responsible for regulatory reporting as well as working closely with the systems and operations areas.

This will be a challenging role for an ambitious chartered accountant in their early 30's who feel they now have the capability to step into senior management. Investment banking knowledge, familiarity with regulatory matters and first class communication skills are essential. The position also demands an individual who combines the "shirt sleeves" approach with an awareness of the broader aspects of financial and operational control within a rapidly changing banking environment.

Interested candidates should contact Suzie Mummé on 01-248 3653 (0932-220151 evenings/weekends) or write, enclosing a detailed curriculum vitae. All applications will be treated in the strictest confidence.

60, Cheapside, London EC2V 6AX — BBM ASSOCIATES — Telephone: 01-248 3653

CONSULTANTS IN RECRUITMENT

Young Chief Accountant

Computer Industry

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The position reports to the Financial Director and responsibilities will include managing a department of ten staff, the preparation of monthly financial and management information and liaison with senior management. There is also the opportunity to become involved in the financial management of an overseas subsidiary. Candidates should be graduate qualified accountants with line management experience and probably aged mid twenties to early thirties.

The attractive benefits include an excellent salary, fully expensed car, pension scheme, BUPA, 25 days holiday and a full relocation package in appropriate cases.

Please send your career and current salary details, including a daytime telephone number, to Barry C Skates at our Maidenhead office, or telephone him for an informal discussion.

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MKA House, King St, Maidenhead, Berks SL6 1EF, Telephone: (0628) 75955
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SENIOR ACCOUNTANT

South London c.£30,000 + car + benefits

Our client, one of the world's leading international merchant banking organisations, is seeking a senior accountant to be involved in a range of activities in its administrative centre in South London.

Candidates must be chartered accountants with previous experience in the banking sector. Familiarity with Bank of England and regulatory returns, together with computerised accounting systems, would be an advantage. Reporting to the Chief Accountant, the person appointed will be involved in statutory accounting and the production of management information, in addition to interesting ad hoc exercises.

A mature, confident and personable individual is required, with good staff management skills and the potential to accept future responsibilities in accounting or administration areas of the bank.

Please write in confidence, with full career details, quoting reference R4642, to Valerie Fairbank.

KPMG Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4V 5BR

An outstanding opportunity in the finance sector . . .

Ambitious Accountant

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Part of a major investment bank, our client is a significant force in the international securities market. The company has an excellent reputation in its market-place and is undergoing rapid expansion.

Based in London and joining as Assistant to the Finance and Administration Director, the accountant will have wide ranging responsibilities. Involved in the development, review and analysis of management information, monitoring performance and liaising with the Stock Exchange, he or she will carry out a range of special projects.

The position will have high visibility within the organisation and the rapid growth of the company will provide excellent opportunities for promotion.

Around 30, applicants should be graduate chartered accountants from financial services, commerce or the profession. An understanding of Stock Exchange regulations would be advantageous and technical ability and good interpersonal skills are essential.

Please write enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/607/RF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Group Finance Director

London
c £45,000 + car etc

Our client, a well known and long established group, provides a highly technical and comprehensive professional service throughout the world. Due to continued growth and in order to take account of future development, there is now a need to obtain the services of a capable and professional financial executive for this key appointment.

Reporting to and working closely with the Chairman/Managing Director, the appointee will be totally responsible for maintaining and further developing high standards of financial control and provision of accurate and up to date management information. In addition the successful applicant will be required to make a positive contribution to the overall administration and management of the business.

Applicants, aged 30 to 45, must be Chartered Accountants already in a financial position of authority, able to motivate staff and work effectively as part of a senior management team in a thoroughly professional environment. Experience in multi-currency accounting in the financial services sector would be ideal.

In addition to salary, benefits will include a bonus scheme, fully expensed quality car, pension and life assurance and private health arrangements.

Applicants interested should write enclosing a full CV and current salary, quoting reference MCS/7213 to Michael R Andrews
Executive Selection Division
Price Waterhouse
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No. 1 London Bridge
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Price Waterhouse

Finance Director

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London

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The company is now planning for a quantum leap in its development following the launch of a new product which is technologically and valuewise far ahead of its competitors.

Growth prospects are exciting but skilled financial management will be essential to obtain the full benefits of the company's considerable profit potential.

They therefore wish to appoint a high calibre and commercially astute Finance Director to optimise the financial resources of the company. Reporting to the Managing Director, you will be responsible for all accounting, financial planning and reporting, cash management and funding aspects of the business.

You will be a Qualified Accountant, aged 30-50, with broad based financial management experience in a fast growing manufacturing environment and a flair for identifying and maximising profit opportunities.

Attractive stock options will enable you to share in the company's success and the excellent remuneration package includes a performance bonus and car.

Please send concise details, including current salary and daytime telephone number, quoting reference W2024, to W S Gilliland, Executive Selection Division,

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Appointments Wanted

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Financial Times
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Expanding FMCG company seeks young, commercially minded

FINANCIAL CONTROLLER

Hove, Sussex **c £21,000 + car**

Green Giant Foods Ltd, a £15 million turnover subsidiary of Pillsbury UK Ltd, seeks an ambitious, profit orientated self-starter to play a key role in a small management team.

Reporting directly to the General Manager, the successful candidate will be responsible for producing and interpreting management information, providing financial advice and being heavily involved in business planning and development. The Financial Controller will also participate actively in upgrading existing computer applications by the addition of sophisticated modelling systems.

Applications are invited from qualified accountants in their late twenties/early thirties who are computer literate and possess relevant commercial experience. Relocation expenses will be paid where appropriate.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2791 to G. J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners

Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361.

FINANCE DIRECTOR

Kent Agricultural Products/Pet Foods

Shrewd commercial management and soundly based diversification has successfully carried our *client, a long established and highly reputed* private group, onto a vigorous growth track.

This new appointment is to provide the support *and close involvement the Chief Executive now* needs in carrying forward the group's further development. Immediate requirements centre on significantly improving the quality of management information to enhance both financial control and strategic decisions.

Applications are invited from FCA/FCMAs, 45-55, whose career histories indicate the experience and aptitudes for guiding a small primary manufacturing business contending with cyclical trade conditions, perishable stocks, highly competitive markets and the demands of sustained growth.

The remuneration package will include a car, profit participation and other benefits. Relocation assistance is available, if necessary.

Please send career details, including current salary and quoting reference C7099 to Mike Blanckenhagen.

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13/14 Hanover Street, London W1R 9HG. Telephone 01-493 5788.

Link International Search & Selection Ltd.

Director of Finance

S.W. London **c£50,000 package + car + benefits**

Our client, the acknowledged leading supplier of international banking software worldwide, is seeking to recruit a Director of Finance based at their modern headquarters in South-West London.

Reporting to the Managing Director, you will be responsible for providing a financial management service to the worldwide operations of the Company, encompassing statutory and management accounting, treasury, systems development and co-ordination of legal activities. There are 25 finance staff in total, of which nine are based at headquarters and would report directly to the appointee.

The individual would also make a significant contribution to the formulation of company strategy and to the evaluation of potential acquisitions.

The successful applicant will be a qualified accountant and aged 35-42. Recent experience as a senior financial manager within the service industry is essential, while preference will be given to candidates with a strong marketing-driven company background. The individual will demonstrate a high level of entrepreneurial flair and will thrive in the dynamic, fast-moving environment of a company that targets to grow at 30% per annum.

Interested candidates who meet these demanding requirements should write, enclosing a comprehensive C.V. and daytime telephone number quoting reference 421 to Philip Rice MA, ACMA, Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

MP

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Corporate Controller

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Currently their U.K. and European operations are undergoing a major development and expansion programme.

The Group now wish to strengthen their overall finance function by appointing a Senior Financial Manager as Corporate Controller. The main responsibilities of this post will include Accounting and Control, Taxation, Planning and Analysis and Systems Development.

Candidates for this appointment will be qualified accountants, aged 35 to 43 years, who can demonstrate excellent experience in a financial control capacity gained within a multi-national.

Interested applicants should write, enclosing a full CV and quoting reference number 13/09 to:-

AGB Executive

173 SLOANE STREET
LONDON SW1X 9QG

Management Accountants

circa £16,000 ***Bracknell***

Immediate vacancies have arisen for finalist and qualified Management Accountants within this prestigious Company, who are among the leaders in the advanced technology field.

This is an excellent opportunity for applicants with at least one years' commercial experience within a large organisation, to increase their knowledge and expertise within a fast-moving industry.

You will be responsible for the complete financial business management of a division within the Company and we would expect you to be experienced in modern financial techniques. Of equal importance will be your interpersonal skills and flexible approach.

For ambitious applicants, progression within the organisation is a reality with opportunities in the UK and Overseas.

With this in mind, the Company are offering an attractive salary package, which includes subsidised BUPA, pension scheme and generous relocation expenses.

Austin Knight has been retained to handle this assignment. Interested applicants who can meet the above profile, should apply in writing with full career details to Karen Fitch at Austin Knight Selection, Knightway House, Band Lane, Egham, Surrey TW20 9NX, quoting Ref: AIY656.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter.

Austin Knight Selection

Group Financial Controller – Leisure

Help Our Expansion – Further Your Career

A progressive company in the leisure business, with a *turnover in excess of £200 million, is intent upon developing* into new market areas. Expanding by acquisition and internal growth, the company is now exploring other activities to provide avenues for further business expansion.

Located in the West End, managing a team of four, you will be responsible for the entire accounting function. You will improve its efficiency to allow the group's unhindered expansion and you will advise the Board of possible acquisitions, investigate suitable companies and ensure that information is maintained. Responsible for budgeting and *exercising control* of the Treasury and Tax situation, your success will be rewarded by career progression.

Aged at least 30 and a fully qualified Chartered Accountant or ACMA, you will have experience in a public company within the leisure or service industries. Used to working and producing results under pressure, you are an excellent communicator, practical by nature and mix well at all levels.

Salary is negotiable around £30k with Executive Share Option Scheme, a good quality company car, non contributory pension, BUPA etc. Please apply stating current salary to Harold Jones of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6ST. Tel: 01-404 5701.

Cripps, Sears

Appointments Advertising

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For further information, call:

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Daniel Berry
Ext 3456

David Rhodes
Ext 4676

Tessa Taylor
Ext 3351

Financial controller

Berkshire, package c.£40,000 + car

C&L

Our client is a computer services subsidiary of a substantial US corporation and has achieved rapid growth in recent years to become one of the leaders in its industry. The European Headquarters are now re-organising their finance function to meet the *information* needs of further expansion and this new role has been created.

Reporting to the Finance Director – Europe, you will be responsible for setting accounting standards for all European operations and ensuring that statutory, management information and corporate reporting requirements are met. A key task will be direct involvement in the development and implementation of the organisation's next generation of computerised systems.

A qualified accountant, probably aged around 35, you will have a strong systems background and working knowledge of reporting to US standards. You will be an experienced manager, able to effectively control business units on a functional basis *in addition to a central accounting department.*

Prospects are exceptional as there are firm plans for further rapid growth. The package includes a substantial basic salary and contribution to a personal pension plan.

Résumés, including a daytime telephone number, to Janice Walden, Ref. JW702.

Coopers & Lybrand Executive Selection

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01-606 1975

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This demanding role carries board level exposure and offers exciting career prospects to those who employ excellent communication skills coupled with commercial acumen in a demanding environment.

You will be expected to provide a full range of corporate finance services to the group. Specifically your role will include:

- ☐ **International acquisition investigations**
- ☐ **Development and implementation of group corporate finance plans**
- ☐ **Development of profitable business opportunities**
- ☐ **Multi- disciplinary team leadership**

Applicants must be qualified Chartered Accountants, ideally possessing a relevant business degree. Aged between 30-40 you must also have a first class track record gained within a commercial environment.

The remuneration offered is negotiable according to age and experience and the package will include an executive motor car, subsidised mortgage plus a comprehensive range of benefits.

Interested applicants should contact Phillip Price, ACA on 01-488 4114, or write to him quoting ref 6923 at Mervyn Hughes International, 63 Mansell Street, London E1 8AN.

Financial Controller

Stockbroking c£30K + Bonus and Car

Our client is a recently formed subsidiary of a city based Plc. They specialise in providing a brokerage service to smaller clients in the listed equity market. The company has ambitious plans to grow rapidly and as part of this expansion are looking to recruit a Financial Controller to head up the finance function.

Key areas of responsibility will be preparing and presenting monthly management and statutory accounts, preparing budgets and forecasts, developing management information systems, carrying out company secretarial duties and advising the Managing Director on all financial matters. You will be closely involved in strategy formulation and in determining the future direction of the company.

The ideal candidate will be aged 32-42 and a qualified accountant. You will have recent relevant experience in the stockbroking/investment management sector. A strong commercial approach is essential, as is a proven ability as an effective communicator.

Interested candidates who meet these requirements should write, enclosing a comprehensive c.v. and daytime telephone number, quoting ref: 420 to Philip Rice MA ACMA, Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol St Albans Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Glaxochem is a member of Britain's largest pharmaceutical group, with responsibility for the manufacture of bulk pharmaceuticals and fine chemicals for world-wide distribution.

The Company's Head Office finance function, based at Greenford, is being strengthened and recent developments include the initiation of an information systems study in order to determine the optimum use of information technology throughout the organisation.

The following opportunities now exist:-

Financial Manager – Information Systems

A new and senior appointment in Glaxochem's Finance Directorate, reporting to the Finance Director, will play a major role in the review and the formulation of a company information systems strategy.

You will have direct responsibility for development of the slice of financial and management accounting systems which monitor Company performance and provide information for control and decision-taking purposes by top management.

A broad experience gained in a major manufacturing organisation, preferably with some involvement or knowledge of disciplines other than finance, would be appropriate for this job. Regarded as a key appointment, there will be very considerable prospects for the future within the Company or within the Glaxo Group.

Company Management Accountant

Prime responsibility is the provision of a Company-wide management accounting service covering the main business activities and operations of the Company.

This will involve preparing strategic business plans, annual budgets of output, costs and profits in addition to providing monthly reports to top management with supporting analysis, interpretation and commentary on results.

You will be a qualified accountant with several years experience preferably gained in a multi-sited operation.

Excellent benefits include a competitive salary, generous bonus schemes, non-contributory pension scheme, 25 days' annual holiday and relocation assistance where appropriate.

Please write with full career details, including current salary, to the Personnel Services Manager, Glaxochem Limited, Greenford Road, Greenford, Middlesex UB6 0HE.

Glaxo
Glaxochem Limited

Accountancy Personnel

Placing Accountants First

SPD

SPD is an operating division within NFC Distribution Group itself £160 million part of the employee-owned National Freight Consortium plc.

For further details, please contact:
Accountancy Personnel,
New Oxford House,
16 Waterloo Street,
Birmingham B2 5UG
Telephone: 021-643 6201

RECENTLY QUALIFIED?

Birmingham £Negotiable

Ambitious? Enjoy a challenge?

Then this is an opportunity to join a dynamic, rapidly changing organisation as a senior member of the finance team.

Recently qualified ACA, ACCA, or ACMA's (or talented finalists) will develop their management skills as well as enjoying broad technical involvement. Providing financial control for business projects, making representations to management and playing a key role in systems development. You will be encouraged to achieve additional responsibility quickly.

CONFIDENTIAL

For further details, please contact:
Accountancy Personnel,
Davey House,
Castle Meadow,
Norwich,
Norfolk NR1 3BY
Telephone: 0603 760141

NORFOLK

Board Potential c£20,000 + Car + Relocation

Our client, is an autonomous subsidiary of a major plc enjoying considerable success in the manufacturer and installation of capital equipment for the food industry. With a full order book and impressive expansion already underway the company would like to appoint a young commercially aware accountant to compliment a specifically tailored management team.

Qualified and in your late twenties/early thirties your brief will include corporate funding for specific projects, negotiating contracts abroad, investment appraisal, systems review and overseeing the overall finance function.

In return an early Board appointment is envisaged together with an attractive remuneration and benefits package including relocation to the country's fastest growing region.

KEY ROLE

For further details, please contact:
Accountancy Personnel,
Ashton House,
469 Silbury Boulevard,
Milton Keynes MK9 2AH
Telephone: 0908 661707

FINANCIAL SYSTEMS MANAGER

Hitchin to £20,000 + Car

Our client, a Subsidiary of the Parkfield Group, is a new company formed by combining two leading electrical distribution companies. This new venture is providing an unrivalled opportunity to play a vital part in the development of the company and benefit from its assured growth.

Reporting directly to the Financial Director the principle responsibility will be to develop an *on-line multi-user computer system and introduce effective management information* systems. The role will then broaden to cover day to day accounting and periodic reporting work.

Applicants will have extensive hands-on experience of data processing on mainframe computers and of the design and implementation of spreadsheet and information packages.

The ability to keep one step ahead of the company's growth requires a dynamic, highly motivated individual seeking definite medium-term promotion to Financial Controller.

BLACK&DECKER

For further details, please contact:
Accountancy Personnel,
Equity and Law House,
33-39 Grey Street,
Newcastle NE1 6EE
Telephone: 091-232 4111

FINANCE MANAGEMENT – THE NEXT STEP

Durham from £16,000 + Relocation

Black & Decker is one of the UK's major success stories. Continued growth and development of the Power Tool business has lead to exciting management opportunities for bright young qualified accountant.

As part of the UK finance team you will be based at their major manufacturing plant in County Durham, where you will have broad responsibilities within the plant finance organisation and provide strategic planning input for the direction and development of their power tool business.

This is an ideal opportunity to gain first class experience in a dynamic manufacturing environment, and provide a solid stepping stone to senior financial positions or into general management.

Financial Analyst

An MBA or ACA qualification
A 'TD' career

Identifying new, high potential markets and operating in them effectively has been the hallmark of Toronto Dominion's success as a long established international bank. Naturally this demands that our Financial and Business Planning function is both effective and enlightened.

Its continuing development now creates an opening for a professionally qualified financial analyst.

Reporting directly to the Manager – Finance and Accounting, you will undertake the development of improved business planning, forecasting and financial reporting systems and techniques. Additionally you will impact on the design and implementation of accounting systems to meet ever-changing financial reporting requirements and to accommodate new financial/securities related products and services.

A highly motivated individual, with either an MBA or a professional accounting qualification (ACA), who has at least 2 to 3 years' directly related experience will find this appointment provides considerable challenge and scope and is an opportunity to pursue a career in other financial areas of TD; corporate finance, treasury or capital markets. Experience with mainframe, mini and micro computer processes for financial model building and knowledge of UK and international tax legislation are also very desirable assets.

Unlike many, Toronto Dominion's 'slogan' is no idle boast. 'People do make the difference'. Therefore, a competitive salary is offered and the full range of benefits expected of an international bank.

Please forward your c.v. to: J.W. Green, Manager Human Resources, Toronto Dominion Bank, Triton Court, 14/18 Finsbury Square, London EC2A 1DB.

TORONTO DOMINION BANK
The bank where people make the difference

The Toronto-Dominion Bank is the 5th largest Canadian Bank with nearly 1,000 branches and assets in excess of CDN$50 billion. Our operations in London have been established for over 75 years.

ACCOUNTING IN THE CITY

Systems Review & Compliance Officer
£32,000 + Bank Benefits

A growing bank with a strong market presence has a requirement for an ACA aged 30-37 to work in a non-routine role. You will have gained broad based accounting experience within a similar financial institution. Reporting to senior levels of management the wide range of duties include identifying credit, tax, accounting and regulatory issues, the review of all procedures and 'one off' projects. Ref: RWS0453

Financial Controller
to £30,000 + Substantial Benefits

This is an outstanding opportunity for an ACA aged 27-30 with experience in the financial sector to join the merchant banking arm of a major financial group. You will be responsible for financial reporting and systems enhancement and can look forward to fast-lane career development in an environment where initiative is keenly rewarded.
Ref: PSW0457

Write or telephone Richard Small 01-256 5041 (out of hours 023 065 286)

Management Personnel
Recruitment Selection & Search
10 Finsbury Square, LONDON EC2A 1AD.

TAX MANAGER

UK & Europe

Bank of America, one of the world's largest banks, is looking for an experienced Tax Professional for its London Tax Office.

Key responsibilities of the position will include providing a consultancy service to Bank Officers on the tax effects of proposed transactions, and directing tax compliance matters in the UK and Europe. In the latter case, you will have the support of a qualified accountant but we would expect you to play a major role in negotiating complex issues.

We require a graduate, qualified to ACA and with at least six years of high level corporate tax experience. Exposure to international tax issues, primarily US related, is essential and we would ideally prefer you to have had some financial institution experience.

Vitality, ambition, drive and the ability to motivate and lead a team should be combined with first class communication skills – effective at all levels.

The salary offered will fully reflect your experience and potential, and the benefits include a company car and mortgage subsidy.

Please send your c.v., in strict confidence, to John Beadle, Personnel Department, Bank of America, 25 Cannon Street, London EC4P 4HN.

Bank of America

Prospective Finance/Corporate Director

Ambitious ACA Attractive package

LONDON

Exceptional opportunity for Graduate Accountant, preferred age 28-35, to develop with an expanding company due to be listed in 1987.

The post will involve frequent travel to the United States and the successful candidate must be prepared to work exceptionally hard in the pursuit of exceptional goals. Commercial experience is desirable but not essential as is Corporate/Investment experience and computer literacy. A quick intelligence, stamina and willingness to learn are essential.

The successful candidate will be expected to have demonstrated initiative in his career and be able to communicate verbally and in written reports at a high level. The post will carry a main board seat in due course.

Interested candidates should contact R. B. Drummond, FCA, on 0342 832049, or write including a detailed curriculum vitae to Empire House, Kennington Road, The Oval, London SE11 6SF.

All applications will be treated in the strictest confidence.

UNIVERSITY OF SALFORD
DEPARTMENT OF BUSINESS & MANAGEMENT STUDIES

LECTURER IN ACCOUNTING AND FINANCE

Applications are invited for the above established post, for which the salary will be fixed at an appropriate point on the Lecturer Scale A (£8,753-£13,675) or Scale B (£14,245-£18,210). Applicants should be qualified in accounting, finance or a cognate discipline. Further particulars and application forms are available from the
Registrar, University of Salford, M5 4WT
(Tel 061-736 5843, Ext 215)
to whom completed applications should be returned by Friday July 10 1987, quoting reference BA/51/FT. The University is an Equal Opportunity Employer.

Informal enquiries may also be made to Professor K. P. Gee (Ext 7096)

FINANCIAL DIRECTOR

Ayrshire Scotland

c£25-30K + share option car, BUPA, pension age indicator 30-37 yrs

Privately owned and very profitable, this £4 million pa turnover company operates a large *modern facility which is currently being expanded to meet increased demand for its services.*

A top flight professional, fully qualified and computer literate, is needed to improve management information systems, take full responsibility for management of the financial function and steer the company to a stock market listing in the medium term.

The successful candidate must have a broad financial experience gained within a manufacturing or industrial service environment, and should have excellent leadership skills and well developed business acumen.

A share option will provide a substantial incentive, as will the challenge of working with a small executive team in the direction and success of the company.

For further details and an application form, please write to Mr V. Burke, Senior Consultant – Human Resources, 3i Consultants Ltd., 20 Blythswood Square, Glasgow G2 4AR or telephone 0532-459469 (24 hour reply service), quoting Ref: NR/668.

3i Consultants Ltd
Human Resources Division

Senior Tax Manager

North West **c£32,000 + Car**

Our client is an established force in the financial services sector with an impressive record of growth in recent years. Exposure to increasingly complex UK and overseas taxation legislation has created the need for a Senior Tax Manager to be based in their North West Head Office.

Reporting to senior financial management and supervising a department of 7 people, the Senior Tax Manager will have primary responsibility for all of the company's taxation affairs. In addition to routine compliance matters, particular emphasis will be placed on tax planning and the provision of advice on the taxation implications of proposed transactions.

The successful candidate must possess strong technical skills, being fully conversant with all aspects of income, corporation and capital gains tax legislation as affecting a major institution. In addition, the individual should be a self-starter with strong interpersonal skills enabling him to deal with all levels of management.

Interested candidates should contact **Frederick C. R. Howie MA on 061-228 0396** or write to him, enclosing a CV, quoting reference **7090**, at
**Michael Page Partnership,
Clarendon House, 81 Mosley Street,
Manchester M2 3LQ.**

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol St Albans Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

International Auditors

UK or European Base **£20,000–£35,000**

Our client, a US high technology multinational with European Headquarters based in Switzerland, is seeking to strengthen its European operations by the recruitment of two additional International Auditors.

Reporting to the Audit Manager, the successful candidates will undertake a variety of assignments to include financial audits, analyses of operational procedures/controls and special investigations. Significant travel in Western Europe will be necessary, with a return to home base at weekends. Candidates may be based in London or a major European city.

Applicants, qualified accountants, should have a minimum of three years' auditing experience and an *excellent record of promotion, ideally gained* within an international firm of public accountants.

Strong communicative skills coupled with fluency in English and a good working knowledge of German or Italian are essential requirements.

These positions offer excellent line management prospects and a high level of exposure to an international market. The attractive salary packages will be negotiable and commensurate with age and experience.

Interested candidates should contact **Ivor N. Alex ACA on Paris 010 331 4070 0036 at Michael Page France, 19 Avenue George V, 75008 Paris, France or Warwick Holland on London 01-831 0431 at Michael Page International, 39-41 Parker Street, London WC2B 5LH.** Please enclose a comprehensive curriculum vitae with your application, quoting reference **INA/1241.**

Michael Page International
Recruitment Consultants
London Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

Japanese Securities Industry

Financial Control Manager

Excellent salary
& full banking benefits
Tokyo based

County NatWest Securities Japan Limited is the Japanese branch of County NatWest, a leading international investment banking group.

Since its establishment, this Far Eastern trading arm has enjoyed considerable success and a significant increase in trading activity means it is now looking to recruit a qualified Chartered Accountant.

The brief will be to take overall responsibility for enlarging, strengthening and managing the financial control area of the Securities Section. This will include accounting, internal and government reporting as well as the development and implementation of accounting and trading control systems. This vital aspect of the brief will involve close liaison with in-house systems managers and bureau services.

Clearly, a sound knowledge of general accounting, control, reporting and planning procedures within the securities industry is essential. We shall also be looking for someone who is familiar with Japanese equity and bond transaction systems and a professional with the credibility to establish effective working relationships with people at all levels throughout the organisation. For obvious reasons, a fluent command of both Japanese and English is crucial.

The top salary and excellent banking benefits (including comprehensive relocation assistance) are supported by superb career development prospects.

In the first instance, please write enclosing your cv to:
Kathryn M. Riley, County NatWest Limited, Drapers Gardens,
12 Throgmorton Avenue, London EC2P 2ES.

COUNTY NATWEST
The NatWest Investment Bank Group

FINANCIAL ACCOUNTANT
£17,500 plus benefits

The position will be attractive to a recently qualified accountant who is looking for a career with one of the world's leading international financial institutions.

Barclays Chief Accountant's Department is involved in all aspects of financial and management accounting for the Barclays Group and plays a vital role in the development and co-ordination of accounting policies and practices worldwide. To prepare for a position of greater responsibility, the successful candidate will initially be given opportunities to gain experience in a wide variety of the Department's work. These will include management and financial accounting for the UK Bank, consolidation of the Group's worldwide results and US reporting and disclosure requirements.

Self motivation and positive career aspirations are two of the essential qualities for which we are looking. In return we offer a location in modern offices overlooking the harbour in Poole, a competitive salary and generous benefits including:

- Assistance with relocation expenses
- Annual Bonus
- Subsidised Mortgage and Loans
- Profit Sharing
- Non-Contributory Pension
- Private Medical Insurance

Please apply in the first instance, including comprehensive career and salary history, to:

**Graham A. Mawer, CA,
Head of Group Accounting,
Barclays Bank PLC,
Barclays House, 1 Wimborne Road,
Poole, Dorset BH15 2BB**

BARCLAYS

Divisional Financial Manager

Circa £28K

Our client is a £120m turnover company within a large Group engaged in high-technology engineering. The company has a strong order book, is performing well and prospects are good. It is about 30 miles from London in an attractive market town.

Our client wishes to recruit two Financial Managers for the principal operating Divisions each managed as an autonomous unit and turning over in excess of £40m. Each will be expected to take a strong grip on the financial affairs of his Division and to become involved in all aspects of the management of its business.

Candidates should be fully qualified accountants and in the age bracket 32-42. A car will be provided and they will participate in a generous *pension scheme. A relocation package is available.*

Please write with full curriculum vitae enclosing a covering note identifying companies to which your application should not be sent, quoting Ref. No. 053 to: Geoffrey Huggett

SMA
**Stratton Morgan & Associates Limited
Search & Selection Consultants**
62 Grosvenor Street, London W1X 9DA

Financial Controller

Croydon **c£25,000 + car**

Our client is one of the UK's leading companies in the property services sector. An autonomous subsidiary of a major British group, it operates through a nationwide branch network and has ambitious plans for further growth.

Responsible to the Managing Director for the computerised accounts function and financial administration including management and statutory reporting and cash management, the Financial Controller will work closely with him in the commercial development of the company.

This will include all financial aspects of planning and acquisitions – from initial appraisal through to integration into the company.

Applicants should be qualified accountants aged early 30s, preferably with construction or contracting experience.

Future prospects are outstanding – success in this role will lead to early promotion to Financial Director.

Please write with full career details to David Tod BSc FCA quoting reference D/611/RF.

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

International Appointments

Finance Director-Designate

City-based financial publishers

Fast-growing successful international financial publishing company seeks ambitious person of finance director material. The post is perfect for qualified ACA in thirties or very early forties with experience in publishing who wishes to be an integral part of a small management team aggressively pursuing organic growth and acquisitions.

The company has an efficient computerised accounts department which is properly staffed and well run. The intention is to hire a person of finance director calibre who would oversee the accounting and treasury operations, but whose major job would be to seek out and negotiate selected acquisitions and trim central costs. *He or she would report directly* to the managing director.

Compensation package would be very attractive and would be tailored to the right person.

*Please write with CV to:
Box A0568, Financial Times
10 Cannon Street, London EC4P 4BY*

International Operational Review

Italian speaker

Our client is a highly respected U.S. manufacturing group with interests in a diverse range of industries and a strong presence in Europe. Technological innovation, skilful marketing and an effective restructuring program have contributed to the corporation's recent success; the group now employs over 40,000 people and turnover exceeds $ 3 bn.

The corporate audit function is now seeking to strengthen its European team by the introduction of an Italian speaker. His/her role will cover the following activities: ☐ operational and systems review; ☐ production management review; ☐ financial audit; ☐ ad hoc projects.

The successful candidate will have a choice of base although it is anticipated that 50 % of working time will be spent in Italy.

Candidates should be aged 26-34, having gained audit experience with a public accounting firm and/or an international group. Well developed communication skills and a strong business acumen are prerequisites for a successful career with this multinational corporation.

Remuneration will include a tax efficient salary and an attractive benefits package.

Initial interviews can be arranged in London, Brussels or Milan.

Interested candidates should contact ***John Archer*** *on* ***Brussels (010322)647.63.50*** *or send their detailed curriculum vitae to* ***FONTAINE ARCHER Associates, avenue Louise 382, 1050 Brussels (Belgium),*** *quoting* ***Ref. JA/144.***

FONTAINE ARCHER
Associates
SELECTION & SEARCH
FINANCE · ACCOUNTANCY · BANKING

DIRECTOR CORPORATE ADVISORY
AUSTRALIA

Our clients, market leaders with a considerable international reputation, seek an additional Director to join their Sydney operation due to an increase in business activity and international reorganisation.

As a highly respected and innovative merchant bank—with a reputation for involvement in some of the more complex and prestigious advisory and corporate finance transactions that are currently taking place—they seek a high-calibre individual with a minimum of five years' experience and a proven record in M. & A. and general advisory work. This will have been gained either in a banking or stockbroking environment or alternatively within the accountancy or legal profession.

Because of the seniority of this role the successful encumbent will not only be responsible for handling major transactions autonomously but for managing and developing their own team to provide specialist support.

A substantial package and bonus as befits our client's stature in this sphere will be structured to attract a candidate of the appropriate calibre.

Please contact:

**Patrick Allen, Managing Director
BERESFORD ASSOCIATES LIMITED
91/93 Charterhouse Street, London EC1M 6HR**

or alternatively submit a brief résumé.

GROUP DIRECTOR OF FINANCE

Hall Engineering (Holdings) P.L.C.

Negotiable c.£35,000 + benefits

Hall Engineering (Holdings) plc is a publicly quoted engineering company with a turnover of £128 million. During the past 18 months the current Finance Director has been heavily involved in the development of the company's business strategy and has now been promoted to take responsibility for the implementation of this strategy and for future strategic planning.

This promotion creates the need for a Director of Finance to provide commercial and financial support to the divisional chief executives and take full responsibility for the financial control of the Group and the continuing development of financial systems. This will necessitate some travel to group locations in the UK and overseas. A small team of qualified accountants provides support to the Director of Finance and produces the consolidated accounts, regular management information and analysis of group performance.

Applications are invited from ambitious, qualified, graduate accountants with the potential to achieve a main Board appointment within two years. Candidates will probably be aged around 35 and will ideally have some manufacturing experience.

The benefits package associated with this position fully reflects its importance and will include profit related bonus as well as the normal executive benefits. The job will be based in the attractive market town of Shrewsbury which offers excellent schooling and recreational facilities.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting reference 2792 to John Scarisbrick, Executive Selection Division.

Touche Ross

The Business Partners

P.O. Box 500, Abbey House, 74 Mosley Street, Manchester M60 2AT. Tel: 061 228 3456.

TNT Skypak International Express

Financial Controller

Heathrow **£30,000 + F/E car**

Our client is TNT, the international transportation organisation with a turnover in excess of \$3·5 billion and 40,000 employees worldwide. TNT provides a uniquely integrated land, sea and air transportation system and continues to expand and develop its diversified range of services.

They now seek to appoint a Financial Controller for a principal subsidiary, TNT Skypak International (UK) Limited. Reporting to the General Manager and with functional responsibility to the Group Financial Controller, the successful applicant will assume total control of the finance, data processing and administrative functions and manage some 50 staff. You will also be expected to become fully involved in all aspects of the Company's affairs as a senior member of the management team.

Suitable candidates, aged 30+, will be Qualified Accountants with an excellent track record in *industry gained* utilising sophisticated DP systems. You must also possess a strong personal presence, commercial awareness and well developed man management skills.

The successful candidate will be offered an attractive remuneration package and the prospect of a challenging and rewarding role within an exciting entrepreneurial environment. Relocation facilities are available where appropriate.

Interested applicants should contact Mark Carriban ACA on Windsor 0753-856151 or write enclosing a comprehensive CV to Michael Page Partnership, Executive Division, Kingsbury House, 6 Sheet Street, Windsor SL4 1BG, quoting ref. SV 1055.

Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol St Albans Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

Assistant Controller – UK Securities

City **to £30,000 plus car and bonus**

Outstanding success following Big Bang, has led this major securities firm, with a wide international spread to expand their finance department. They have identified the need to appoint an accountant who can command, and earn, an exceptional remuneration package.

Reporting to the Financial Controller UK, you will be encouraged to make a major contribution in developing the financial controls of the firm which will entail close liaison with Directors and senior management.

Applications are invited from graduate Chartered Accountants within the age range of 26 to 32 who have specific experience of working for a securities firm or who may still be in the profession with relevant audit and investigation experience.

The ability to work well under pressure with initiative and flair is essential, as is the ability to communicate effectively at all levels within this informal, and highly professional environment.

The remuneration package will include a company car, a profit related bonus scheme and a non-contributory pension scheme. Sufficient flexibility exists to reward the outstanding candidate.

Suitably qualified accountants should send a comprehensive curriculum vitae, with day time telephone number, in absolute confidence to Andrew Sales FCCA, quoting reference LM894 at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Spicer and Pegler Associates

Executive Selection

Ambitious, Qualified Accountant

West Sussex **to £18,000+Benefits**

This exciting, newly created opportunity to join an established, modern technology company has arisen following a dramatic increase in orders leading to a doubling of turnover in the current financial year. Sustained growth is assured and profitability is good. In addition to the more routine aspects of bringing together results of the various self-accounting units will be a direct involvement in forecasts, budgets, plans, internal audit and guidance in the direction of company policy.

Applicants will preferably be graduates who have qualified in a large, professional office but ambition and commitment will strongly influence the appointment.

Career development opportunities are quite outstanding in this well known, multi-million pound turnover company.

Interested applicants should send full career and personal details to John Overton FCA, Managing Director, Overton Management Selection, 3 Berkeley Square, Mayfair, London, W1X 5HG, or telephone 01-408 1401 for an application form quoting reference 11/1195.

OVERTON MANAGEMENT SELECTION

APPLICATIONS ARE WELCOMED FROM MEN AND WOMEN

GROUP FINANCE DIRECTOR

West Berkshire

c. £40,000 package + executive car, executive benefits and equity participation

Our client is a leading electronics distributor operating throughout the UK with its head office in West Berkshire. Currently unlisted, our client already has major institutional equity investment and intends to seek a public listing at an appropriate time in the next few years.

This is an outstanding opportunity for a high calibre individual to join an established, well run company at the top level, at a most interesting time in its development. Its market is fast moving and, as well as growing organically, the group is actively seeking acquisition opportunities.

In addition to direct responsibility for the normal financial functions and DP, the Group Finance Director is expected to play a full part, as a member of the Board, in the formulation of company strategy and the development of the business.

The successful applicant, male or female, will be a qualified accountant and is likely to be aged between 30 and 40. He or she must be able to demonstrate a track record of high achievement as well as substantial and appropriate commercial experience at a senior level.

Apply in writing to Robert Linger at the address below, enclosing a detailed CV, under reference 87/01/06.

Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS.

ARTHUR ANDERSEN & CO.

Financial Controller

(progression potential)

c. £20,000 p.a. + car

Our client is a privately owned pharmaceutical company based in Oxford. Established in 1926, the company now enjoys thriving home and export markets. It now seeks an ambitious Financial Controller with potential for advancement to Financial Director within 2 years.

The successful candidate, aged 28 to 35, will be a qualified Chartered or Certified Accountant with at least 3 years post qualification commercial or industrial experience, and must be able to demonstrate a high degree of computer literacy.

Reporting will be direct to the Managing Director.

Benefits include fully expensed motor car; contributory pension scheme; life, medical and permanent health insurance and generous assistance with relocation costs if necessary.

Please send a comprehensive CV, together with salary details and quoting reference MCS/4581 to Alan Jones,
Executive Selection Division
Price Waterhouse
Management Consultants
12 St Andrews Crescent
Cardiff CF1 3DD

Price Waterhouse

PROJECT ACCOUNTANT

LONDON/S.W. ENGLAND

c£22,000 + Car + Benefits

Our client is a major division of a British multinational. For reasons of costs and distribution routes they have decided to move their operations from the London area to a site in the South West. This removal must be tightly planned and controlled.

The Project Accountant will report to the Financial Director and in the course of the next two to three years will adopt the following responsibilities:–

IMMEDIATE: To draw up a project financial plan, including contingency analysis and detailed costs so as to establish effective financial control over the whole move.

NEXT YEAR: Co-ordinate the installation of the finance department at the new site including the recruitment and training of new staff as required.

THEREAFTER: Make a contribution to the direction and management of the finance function in conjunction with other senior managers, taking advantage of promotion opportunities at Divisional level or throughout the multi-billion pound turnover group.

The successful candidate will be a qualified graduate accountant with good commercial experience. Any relocation costs involved will obviously be reimbursed by the company.

Please contact: **GERRY PEARSON 01-387 8118**

SCOPE EXECUTIVE (RECRUITMENT AND CONSULTANCY) LTD,
EUSTON HOUSE,
81-103 EUSTON STREET,
LONDON NW1 2ET.

Finance Manager

Driving forward new standards . . . advancing your career

to £20K **Nottingham**

Royal Ordnance Nottingham is at the forefront of the design and manufacture of sophisticated defence equipment. In the last year we have adopted highly advanced Information Technology and successfully added fighting vehicles to our range. Today we are a dynamic company exceptionally well poised for the future.

We now need a proactive, self assured Finance Manager — responsible to the Assistant Director Finance — to drive forward effective, positive accountancy standards to suit our future development.

Controlling and motivating a team of 18 qualified and clerical staff your prime activities will centre on the provision of the full range of management accounting information needed for efficient cost and financial control, decision making and planning.

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EXECUTIVE SELECTION ASSOCIATES

FINANCIAL TIMES

Thursday June 11 1987

Hysters closure of Irish plant starts political row

BY HUGH CARNEGY IN DUBLIN

HYSTER CORPORATION, the US manufacturer of lift trucks, yesterday shut its plant in Ireland which had spearheaded the company's diversification into automated guided vehicles and other advanced material handling equipment.

The closure was a major blow to the Irish Industrial Development Authority, which regarded the project as one of the most significant investments it had attracted from abroad.

News of the move started a political row in Dublin over the high level of state investment in the plant compared with that of the company. Hyster has a reputation for playing off one country against another for subsidies and for tough bargaining with industrial development bodies.

The workforce of more than 200 were told of the closure when they arrived for work at the factory just west of Dublin yesterday morning. Some of them occupied the plant in *protest.*

In a statement, Hyster, the world's fourth largest producer of standard "counterbalance" lift trucks, said world sales of the products developed and made in Dublin had not grown as rapidly as planned and significant losses had been incurred.

The company has lift-truck production plants at Irvine, in south-west Scotland, Craigavon in Northern Ireland, and in the Netherlands. It had intended making Dublin its world centre for designing, making and marketing automated *material handling systems. The* plant would have had up to 450 people in a total investment of I£65m ($95m).

The IDA poured in I£15m, mainly through grants for research, training and employment. It singled out Hyster for what officials called "a *very special package*" because it was the biggest project it had won in which the emphasis was on product development rather than *straight manufacturing, a central* tenet of IDA policy.

The closure of Dublin looks like a serious reverse for Hyster. The privately owned company decided to move into automated handling equipment because world demand for standard lift trucks is almost static.

It has also been under tremendous pressure in its domestic US market where Japanese imports of lift trucks have doubled in four years and now have 50 per cent of the market.

Hyster found it difficult and costly, however, learning the business of offering systems in a market where companies like Jungheinrich and Wagner of West Germany and *Sweden's BT Rolatruc already had* a stranglehold.

Mr Arlen Cole, managing director of the Dublin operation, said yesterday the *main difficulty was that* automatic guided vehicle sales fell well short of targets.

The company had yet to decide finally whether to continue making the AGV. It might be continued in a limited form elsewhere, he said.

Italian share deal tax plan results in strong criticism

BY ALAN FRIEDMAN IN MILAN

A CALL by the Governor of Italy's central bank, Mr Carlo Azeglio Ciampi, for the imposition of a capital gains tax on equities has come under renewed fire from senior Italian politicians.

The criticism has come from Mr Bruno Visentini, the former Republican Finance Minister in the collapsed Craxi government, and Mr Franco Piga, former president of the Consob Stockmarket Authority and currently Industry Minister.

Mr Ciampi's remark has alarmed the Milan bourse and has already drawn criticism from Mr Gianni Agnelli, Fiat chairman, and Mr Luigi Lucchini, president of the Confindustria Employers' Association.

Mr Visentini, in a rare personal attack on Mr Ciampi, described the governor's call for the tax (made during his May 31 annual report) as "extravagant, without any basis and inopportune." Mr Visentini, who as Finance Minister was responsible for taxation matters, has opposed the capital gains tax as unnecessary.

The 60-year-old Mr Piga, who is expected to be elected to the senate next Sunday from a safe Christian Democrat constituency near Naples, said in an interview that he favours a "carefully planned and gradually introduced" tax on "speculative" capital gains from share trading. He criticised Mr Ciampi's comments as having triggered "a debate which runs the risk of creat*ing nothing but confusion.*"

Mr Piga, a veteran technocrat who served eight Christian Democrat prime ministers as chief of staff in the 1969-74 period and was also chairman of the Crediop State Credit Institute in the 1970s, called for "a modest tax which would cover capital gains earned within a six month period." He said this was similar to the tax provisions in West Germany.

Mr Piga, one of two former Consob chairmen who is likely to be elected to the Senate (the other is Mr Guido Rossi, who is standing as a Communist in a safe Milan constituency), also said he wished to see anti-trust legislation introduced in Italy. "We need to avoid monopolies and oligopolies in Italian industry," *Mr Piga explained, taking* the same position as Mr Rossi.

Fermenta vote may set legal precedent

By Kevin Done in Stockholm

SHAREHOLDERS in Fermenta, the scandal-beset Swedish antibiotics and chemicals group, voted at yesterday's annual meeting to press the new board to take le*gal action to* claim damages against 10 previous board members including two former managing directors, a move that will break new ground *in* Swedish corporate litigation.

At the same time Fermenta revealed that it had suffered a further loss of SKr 70m ($11m) in the first four months of the year and that sales had declined by 12 per cent.

Shareholders voted against *discharging 10 members of the* old board including Mr Refaat El-Sayed, Fermenta's former majority shareholder and chief executive, Mr Ove Sundberg, who served as chairman and chief executive for various periods during 1986, and Mr Gösta Bystedt, deputy chairman of Electrolux who resigned from the chairmanship of Fermenta last October, from their liability for their running of the company during 1986.

Claims for damages against the old board, which was forced to resign en bloc at the end of last year in the face of alarming disclosures of financial manipulation and mismanagement, have already been filed by several hundred private shareholders.

Swedish company law, which in principle permits damages suits against board members and company *chief* executives has never before been tested in practice in the courts, but the case of Fermenta, Sweden's worst business scandal of the post-war era, is now set to create new legal precedence.

Mr Kjell Brändström, chief executive of Industrivärden, the Swedish investment company that is now the biggest shareholder in Fermenta controlling more than 40 per cent of the votes, led the call for legal action.

In the wake of the Fermenta scandal, it was vital to test Swedish company law in the courts in order to have a basic examination of board member responsibilities, he said.

Fermenta is now to take legal advice, and Mr Bert Sjölin, who took over as chairman in February, said that a decision on the scope of legal action could be *taken in the autumn.*

Fermenta, once the star performer on the Swedish Stock Exchange, dropped to a loss of SKr *613m last year in the wake of the* disclosure of far-reaching irregularities in the company's accounts. As late as last October the company had issued a forecast of profits of more than SKr 1.5bn for 1986.

Mr Bertil Holmberg, who took over as chief executive in March, said that a substantial loss for 1987 was "unavoidable" and that the company could not expect to return to profit before 1988 at the earliest.

Sales in the first four months of 1987 fell 12 per cent to SKr 1.093bn as a result of both the fall in the value of the US dollar and lower prices for bulk antibiotics.

Fermenta, which was only narrowly saved from bankruptcy earlier this year, is now undergoing a far-reaching restructuring.

Mr Holmberg said that an action programme for the loss-making antibiotics operations would be finalised in the summer and that a contraction of the operations could not be ruled *out.*

Fermenta's net asset value had fallen to only SKr 3.50-SKr 4.00 a share by the end of April (101.2m shares), and the group's equity to assets ratio was only 11 per cent.

As part of a financial rescue package the group is currently seeking to raise up to SKr 346m in new equity from existing shareholders, who have seen the value of their shares fall from a peak of around SKr 300 in January 1986 to a current level around SKr 10.

James Buchan in New York examines why Allegis directors turned against their chairman

The wheel turns for Mr Ferris

IT WAS LATE on Tuesday night in New York that Mr Richard Ferris came to Earth. At a meeting of the *board of Allegis (the company once* known as United Airlines), the directors who had supported every decision of their harried chairman abandoned him.

Mr Ferris' departure marks the death of an extraordinary corporate daydream, already trampled by institutional investors, Wall Street anlysts, organised labour and corporate raiders.

Mr Ferris' notion was to create an integrated travel services company where the public could fly, rent a car and get a hotel room – all from the same group.

Nobody knows whether Allegis, the cloth-eared name given to this idea since May 1, would have worked because late last night the board announced that the company is being broken up "to maximise shareholder value." As a final insult, the new chairman, Mr Frank Olson, said the board would propose to shareholders that the company's name be changed back to United Airlines.

Allegis' short and unhappy life shows not only the decay of the once fashionable concept of "synergy." It is an object lesson in how not to deal with Wall Street.

Now aged 50, Mr Ferris began life *as a hotelier and then ran the food* services division at United Airlines when it took over Western International hotels in 1970. A protegé of Mr Edward Carlson, who also came from Westin (as it is now known), Mr Ferris moved rapidly up to be*come chairman of the airline* in 1978. He succeeded Mr Carlson as group chairman in 1982.

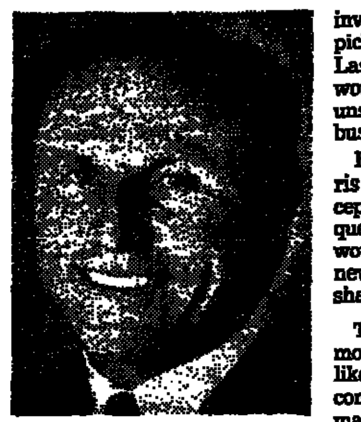
As a man who once claimed to know nothing about marketing but a lot about organisation, he launched a diversification drive. In August 1985, he paid $585m for Hertz, the car rental company, and late last year a further $975m for Hilton International from TransWorld, former parent of TWA.

Wall Street, which had seen the integrated concept *fail at both Hil*ton and TWA, complained bitterly that Mr Ferris was paying too much for the Hilton hotels (wrongly, as it turns out).

Mr Ferris also alienated the powerful pilots' union at United, which opposed diversification and lost out in an unsuccessful strike over salaries in 1985.

In April Mr Rick Dubinsky, a United captain and chairman of the local Air Line Pilots Association union, launched a bid for United for about $4.5bn, most of it to be borrowed. Mr Ferris ridiculed the debt load as likely to hamstring the car*rier in a highly competitive market.*

But the offer woke up an impatient Wall Street to the idea that Allegis, then trading at under $60, *might be worth more broken up* than as part of Mr Ferris' concept. The company earned only $11.6m in 1986 because the profits from Hertz and the hotels were almost swamped by the airline's losses.



Mr Richard Ferris comes down to Earth

Takeover speculation was rife throughout April, and Mr Ferris' defence was disastrous. In May he announced an extraordinary "lock-up" deal with Boeing, the aircraft maker and Allegis' most important supplier. As part of a $12bn aircraft deal, Allegis sold Boeing options over about 16 per cent of its common stock for $700m.

The deal, which has already handed Boeing a paper profit of nearly $200m, infuriated major institutional shareholders, such as Fi*delity Management of Boston, and* slammed the Allegis stock price.

This permitted Coniston Partners, a trio of ambitious New York investors, to go into the market and pick up 13 per cent of Allegis stock. Last month, they announced they would seek shareholder approval to unseat the board and sell off the businesses.

Harassed on every side, Mr Ferris tried once more to save his concept. He reversed his tack on the question of debt and announced he would take on more than $3bn in new borrowings to finance a $60-a-share payout to investors.

The plan lacked credibility. With more than $5bn in debt, it looked likely that Allegis would have to commit its entire cash flow just to make interest payments, leaving the airline as exposed as under the pilots' plan. When the pilots came back last week with a new offer – including wage concessions and a promise by the Barclay Brothers, the UK-based hoteliers, to buy Hilton for $1bn – the game was up.

Although both Coniston and the pilots claim credit for Allegis' complete change in strategy, both are likely to be involved in the break-up of the company.

Ironically, with Allegis valued for break-up at over $5.5bn in the mar*ket yesterday, Mr Ferris has been* vindicated for making cheap acquisitions, if not for managing them. On Tuesday night, the board *praised Mr Ferris for "his vision* and leadership in bringing together the units now valued so highly by the market."

Elsevier trims bid for rival Dutch publisher

BY LAURA RAUN IN AMSTERDAM

ELSEVIER, the second-largest Dutch publishing concern, is downgrading its hostile take-over bid for Kluwer following the company's defensive move and now is aiming to take a 49 per cent stake in the Netherlands' third-biggest publisher.

Elsevier said yesterday that it still intended to make a cash or *share offer for all of Kluwer's com*mon stock, which is 49 per cent of the outstanding share capital, and is believed to already own 7 per cent. The other 51 per cent comprises 2.5m preferred shares issued on Monday and placed in a friendly foundation as a "poison pill" tactic.

The management of Elsevier and Kluwer met yesterday behind closed doors in Deventer, where *Kluwer is based,*

A cash offer for Kluwer would amount to at least Fl 730m ($311m), based on the last closing price before suspension of trading on Tuesday and Wednesday. The Amsterdam Stock Exchange will decide today whether to resume trading.

A share exchange apparently would involve around 1.4 Elsevier shares for each Kluwer share.

Elsevier would still have its hands tied if it succeeded in acquiring all of Kluwer's common stock because both the newly issued preferred stock and existing priority shares have controlling powers in running the company. Major operating decisions and changes in the articles of association require approval of the two friendly foundations holding the preferred and pri*ority shares.*

Finnish bank jumps 17% in four months

By Sara Webb in Stockholm

KANSALLIS-Osake-Pankki (KOP), one of the leading Finnish commercial banks, reported a 17 per cent increase in profit (before provisions and taxes) to FM 211m ($48m) in the first four months, compared with FM 175m a year ago. Operating profit rose 17 per cent to FM 277m.

KOP is the parent bank of the Kansallis Banking Group which, during the same period, increased *operating profit by 8 per cent to FM* 413m while profit (before provisions and taxes) rose by 5 per cent to FM 260m.

KOP's interest income rose by 14 per cent to FM 2,269bn *due to lower* funding costs in relation to interest earned on lending while net interest income rose by 10 per cent to *FM 471m.*

The bank said that confidence in the Finnish mark had strengthened during the period and that interest rates had shown a declining trend, adding that "operating conditions are expected to remain propitious for the rest of the year."

*KOP said it had succeeded in re*ducing interest rate risks by linking its lending rates increasingly to market rates. It has recently restructured its organisation in order to respond to monetary developments at home and abroad.

First Chicago settles SEC proceedings

FIRST Chicago Corp said it had settled a Securities and Exchange Commission (SEC) administrative proceeding involving accounting issues related to its 1983 and 1984 financial statements.

It said the proceeding concerned the timing of a portion of A$308m loan-loss provision the company made in the third quarter of 1984.

First Chicago, without admitting or denying the facts and conclu*sions set forth by the SEC, said it* agreed to restate its financial statements for 1983 and 1984 to reflect an $89.6m allowance adjustment.

As a result, it said its 1984 net income would be increased by $46.6m and 1983 income would be reduced by a similar amount. First Chicago also said it had agreed to maintain its current procedures to provide reasonable assurances that its allowance for loan losses is adequate.

GM chief faces inquiry over German group

BY HAIG SIMONIAN IN FRANKFURT

REPORTS that *Mr Roger Smith,* chairman of General Motors, is up for criminal investigation in West Germany on account of the US mo*tor giant's investment in IBH,* a failed German construction equipment group, has added a bizarre new twist to a sorry *story* that many Germans thought had gone away.

IBH, the brainchild of Mr Horst-Dieter Esch, a German financial *Wunderkind who lost his sparkle,* collapsed in December 1983. Mr Esch is now serving a 6½ year jail sentence for his role in the bank*ruptcy.*

The affair *left* egg on many West German *faces,* notably Count Ferdinand von Galen, the former managing partner of Schröder, Münchmeyer, Hengst (SMH), the Frankfurt private bank, which nearly went under on account of its overexposure to IBH. Von Galen was also jailed while the bulk of SMH was bought and has subse*quently flourished as part of the* Lloyds Bank group.

GM's involvement stems from its sale of Terex, a loss-making subsid*iary manufacturing earthmoving* equipment, to IBH in 1980, in return for an equity share in Mr Esch's group.

The investigation into IBH's collapse has been rumbling on for three years. The present situation arises from four equity investments by GM in IBH made after its initial participation, which were only partially paid in fresh cash, with the bulk of the funds invested flowing back one way or another into GM's coffers.

The procedure can, in certain circumstances, be illegal in Germany, and the investigation, being conducted by the *state* prosecutor's office in Koblenz, centres on GM's, and especially Mr Smith's, possible role in the affair. Meanwhile, a variety of claims and counter-claims between GM and the IBH liquidator remain outstanding.

Malaysian group falls

BY OUR FINANCIAL STAFF

HARRISONS Malaysian Plantations, the commodities producer 30 per cent owned by Harrisons and Crosfield of the UK, suffered a *39* per cent slide in group pre-tax profits to 78.6m ringgit ($31.6m) in the year to March.

It said yesterday: "The *substan*tial decline in profit is mainly attributable to exceptionally low prices for palm oil and to a lesser extent cocoa." In addition, poor weather hampered output, which remained at or below 1985–86 levels in volume terms for all its main crops. Turnover at 505.4m ringgit was down by a third.

Except for rubber, production is expected to recover this year while, if a rising trend in prices is maintained, the group foresees an earnings improvement.

The total gross dividend for the latest year is 15 cents compared with 20 cents, in each case more than absorbing net earnings per share of 11.4 cents against 18.7 cents.

SEC move on non-US rights issues

BY CLIVE WOLMAN IN LONDON

THE US Securities and Exchange Commission (SEC) has issued a notice allowing US pension funds and other institutional investors to subscribe for rights issues by non-US companies and other new share issues.

Until now, UK companies in particular have officially excluded US investors from taking up the rights for fear of breaching the US 1933 Securities Act.

This would not allow them to issue new shares to US investors unless registered with the SEC.

As a result, US investors have sold their rights in the market and possibly topped up their holdings later by buying through the secondary market.

Similarly, they have had to reject an offer of shares whenever a take-over bid was made for a foreign company in which they held a stake.

However, in February, the SEC allowed the College Retirement Equities Fund, one of the largest US pension funds, to subscribe for a French privatisation issue.

Last week, the International Corporate Finance Division of the SEC issued a further notice to the col*lege. This said it considered that all* public offerings of unregistered shares in foreign companies were potentially covered by an exemption under the *1933* act.

Mr Peter Clapman, senior vice-president of the College, said yesterday that the only requirement institutional investors would have to comply with was to undertake not to sell any of the shares subscribed for in the US.

Fintermica share issue may raise over L30bn

By Alan Friedman in Milan

FINTERMICA, a Rome-based privately owned heating and energy group, plans to float 25 per cent of its shares on the Milan bourse this autumn.

The Fintermica share issue, lead-managed by Euromobiliare, the Milan investment bank, is expected to raise between L30bn ($23m) and L40bn.

Fintermica, owned by the Jacorossi family, is a holding group with 38 subsidiaries ranging from home and office heating service business to a series of minority investments

Fintermica's 1986 total turnover came to around L3,500bn. Its pre-tax profit last year was more than L14bn.

The Jacorossi family last year bought the assets and 850 petrol stations when Texaco it decided to leave the Italian market. These were sold again last month.

Fiat plans merger of machinery sectors

BY PAUL BETTS IN PARIS

FIAT is planning to merge into a common holding company its agricultural machinery and earth moving equipment business as part of the continuing rationalisation and restructuring of these two sectors.

Mr Giancarlo Vezzalini, one of Italian group's two executive vice presidents, said in Paris yesterday that he hoped the merger would be announced in the next few months. However, he said he expected it would take a few years to complete.

The new group would place under a common holding the activities of Fiatagri, the Italian company's farm machinery subsidiary, and those of Fiatallis, its earthmoving equipment subsidiary. This would create a new entity with annual sales of about L3,000bn employing about 16,000 people.

But Mr Vezzalini and other Fiat officials emphasised that the farm machinery and earthmoving equipment operating companies would continue to retain their individual manufacturing operations, marketing networks and marques.

The idea was to reduce costs by creating a common structure for all staff, finance, administrative, and other services as well as seeking other synergies between the farm machinery and earthmoving equipment operations.

This integration of farm and earthmoving equipment operations had already started in France and will spread to other countries, Fiat officials said.

The decision to set up a common holding company will constitute the last major chapter in the restructuring of Fiat's diverse farm machinery and earthmoving equipment operations.

It also comes after Fiat has taken over full control of the Hesston farm machinery company in the US this year. The Italian group also took full control of Fiatallis in 1985 buying up the remaining 17 per cent stake of the US Allis-Chalmers group.

Fiatallis returned to profit in 1985 with earnings of Italian L30bn. However, earnings declined to L12bn last year

Jeumont searches for new alliances to boost its trade

BY PAUL BETTS IN PARIS

JEUMONT-SCHNEIDER, the private telecommunications and electrical equipment manufacturer controlled by the French Schneider group, is continuing to search actively for alliances with other European partners to reinforce its telecommunications activities.

Jeumont-Schneider had teamed up with Siemens of West Germany to bid unsuccessfully for control of CGCT, the French telecommunications group recently at the centre of a major international bidding war.

Control of CGCT finally went to a consortium, grouping Ericsson of Sweden with Matra of France.

However, Schneider confirmed yesterday that contacts between Jeumont-Schneider and Siemens had not been broken as a result of the unsuccessful CGCT bid. Indeed, the two groups appear to be looking at possible collaboration.

But Schneider sought to pour cold water on French press speculation that it planned to shed its privat telecommunications business.

Press reports suggested that the French SAT telecommunications group and Northern Telecom of Canada, as well as Siemens, were showing interest in an alliance and eventual takeover of Jeumont-Schneider's private telecommunications business.

Although Schneider dismissed these reports as "press rumours" it confirmed that Jeumont-Schneider was interested in finding partners for its telecommunications business.

The French telecommunications industry has been anticipating a new round of major manoeuvres and deal-making in the European telecommunications sector following the CGCT affair.

One leading French telecommunications official suggested that the CGCT affair was only the thin end of the wedge in what is likely to continue to be a major industrial saga with widespread international ramifications.

Smaller groups like SAT, which had unsuccessfully teamed up with AT&T for CGCT, and Jeumont-Schneider, among others, are expected to come under increasing pressure to link-up with bigger groups to remain competitive.

Telefonica first quarter up 33%

BY DAVID WHITE IN MADRID

TELEFONICA, the Spanish group awaiting authorisation to place roughly $300m worth of shares in New York, has announced a 33 per cent increase in its net operating income for the first quarter to Pta 11.3bn ($91m).

The semi-state telecommunication concern's revenue was 17 per cent higher compared with the first quarter of last year at Pta 123.5bn.

The provisional quarterly results showed gross operating earnings increasing by 36 per cent to Pta 20.9bn and gross cash flow improving by 25 per cent to Pta 54.8bn.

The results lend weight to the ambitions expressed by Telefonica's chairman, Mr Luis Solana, for a "new expansion phase" after a period of financial restructuring aimed at reducing its debt burden.

Burlington seeks cut in bond

By Our Financial Staff

BURLINGTON INDUSTRIES, the largest US textile group, has asked a federal court to reduce the $500m bond it is required to post as part of a preliminary injunction to block a hostile tender offer.

Last Friday, US District Court Judge Eugene A. Gordon ruled in favour of Burlington's request to halt temporarily the $1.85bn offer by Mr Asher Edelman, the New York investor, and Dominion Textile of Canada, until a jury can render a verdict.

Kone's profits slip

BY OUR FINANCIAL STAFF

KONE, the Finnish lift maker, said pre-tax profit fell 32 per cent to FM 21m ($4.79m) in the first four months from FM 31m a year earlier while revenues slipped 1 per cent.

The concern said its restructuring programme, in force since last year, will result in a "turn upward" in earnings during the second half of 1987.

Kone said sales for the full year should grow about 6 per cent to FM 5.5bn from last year's FM 5.16bn. Sales in the first four months edged downward to FM 1.55bn.

Danish bank rescue plan saves deposits

By Hilary Barnes in Copenhagen

DEPOSITORS in 6 Juli Bank of Denmark, which had its operations suspended by the Bank Inspectorate in March, are now certain their money will not be lost.

A rescue operation has been put together by Sydbank, the south Jutland Regional Bank, two mortgage credit associations and the national bank, which are backing the operation with a total of DKr 360m ($52.4m).

Sydabank will take over the liabilities of 6 Juli Bank.

Capital injection from the institutions will be used to offset eventual losses on 6 Juli Bank's loans. The rescue operation was put together under strong pressure from the Government.

The refusal of the Bankers's Association to come to the rescue in March caused consternation in Denmark.

Foreign banks in Copenhagen have drawn attention to the problems which a failure to rescue 6 Juli Bank's depositors could pose for the international banking community.

Avesta lifts profits by 35% to SKr 111m

BY SARA WEBB IN STOCKHOLM

AVESTA, the Swedish stainless steel manufacturer, reported a 35.4 per cent increase in profits (after financial items) in the first four months, from SKr 82m ($13m) to SKr 111m.

Invoiced sales rose by 7.9 per cent to SKr 1.988bn compared with SKr 1.842bn a year ago. Avesta expects profits (after financial items) to reach at least SKr 300m in 1987, compared with SKr 241m in 1986.

Avesta said that the improvements were the result of restructuring measures which the company had taken since 1984 and the strengthening of its distribution side through either partly or wholly owned sales companies.

Acquisition of 10 new sales companies earlier this year accounted for 50 per cent of the increase in invoiced sales.

Demand in Western Europe for cold-rolled plate had been strong, while demand for hot-rolled plate, stainless steel tubing, and welded products was much weaker, it said. Sales in the US were hit by trade friction since the US authorities had been investigating whether Avesta received government subsidies and had dumped certain stainless steel products.

Avesta will be launched on the Stockholm stock market this autumn and is making a public offering this month of 4.5m units (each consisting of one share and one option to acquire a convertible) at SKr 21.5 per unit. This puts the deal at SKr 96.75m.

Mr Alfred Berg, a Stockholm broker, has already placed 4.5 units with institutions in a deal worth SKr 90m.

Continental in US bid move

CONTINENTAL Gummi-Werke, the German tyres group, is preparing to bid for General Tire, part of GenCorp, the US conglomerate and estimated to be worth $550m to $600m, Reuter reports from Hanover.

GenCorp said that no bid had yet been received but added that Continental and Italy's Pirelli group have expressed strong interest in its tyres business.

BankAmerica's debt rating confirmed

FINANCIAL TIMES REPORTER

MOODY'S and Standard & Poor's (S & P), the two major US credit rating agencies, have confirmed BankAmerica's existing BA1 & Triple B senior debt ratings.

Moody's said that the group "continues to have large problem asset exposures in relation to its equity and reserves" and its main concern related to the true economic value of BankAmerica's loans and less developed countries, and not their accounting treatment.

S & P said that BankAmerica's progress in addressing problem loans and reducing expenses, together with a high liquidity position and a strong funding structure, mitigated its weak capital and earnings fundamentals.

Alcatel to close UK centre

BY TERRY DODSWORTH, INDUSTRIAL EDITOR, IN LONDON

THE former ITT engineering support centre at Harlow in Essex, south-east England, is to be closed in a rationalisation move prompted by the takeover of the US group's European telecommunications interests by Alcatel of France.

The closure comes six months after the ITT acquisition, which made Alcatel into the second-largest Telecommunications manufacturing company in the world after American Telephone and Telegraph of the US.

Alcatel said yesterday that research and development activities would be streamlined.

Programmes at the centre, which will be gradually run down to close finally next year, will be transferred to research establishments closer to the group's main operating units.

About 220 jobs are involved, but only about 30 members of the administrative workforce are certain to be made redundant. Other employees, mainly scientists and technicians, will be offered alternative employment in the group's operations in Belgium, France and West Germany.

Alcatel stressed yesterday that the move would not affect its commitment to increasing its presence in the British market, where its Alcatel Roneo subsidiary recently acquired STC data systems.

Alcatel sells office systems through Roneo, acquired in 1980, and distributes phone systems, of up to 16 extensions, through Blick International.

It has also been discussing a deal under which Wang Laboratories, the US computer group, would recommend the French group's private exchanges to Wang customers.

Since Alcatel acquired the majority stake in the ITT activities – the US group retains a minority holding – it has begun a process of consolidating the different product groups.

Monier recommends offer by Equiticorp

BY BRUCE JACQUES IN SYDNEY AND DAVID WALLER IN LONDON

DIRECTORS of Monier, the Australian building products group, have recommended acceptance of the A$657m (US$462.6m) bid for the company from Mr Allan Hawkins' Equiticorp Tasman.

Monier said it favoured the bid, of A$4.15 cash a share, provided no higher offer was received and subject to the provisions of Equiticorp's forthcoming offer statement being acceptable.

Mr Hawkins has taken his Monier stake to 14.9 per cent with recent market purchases, but his bid cannot succeed without acceptance from British-based Redland, which controls nearly 50 per cent of Monier's capital.

Meanwhile CSR, the rival bidder from Monier, has despatched its initial offer documents, confirming its bid price of $A3.80 cash a share or four CSR shares and A$2.75 cash for each five Monier shares.

The CSR bid, to remain open until July 14, is below yesterday's closing price of A$3.90 for Monier shares in Sydney. At yesterday's closing price of A$3.93 for CSR, the company's cash plus scrip alternative is worth just over A$3.49 per Monier share. Recent strength in Equiticorp Tasman's share price has taken it to A$1.10, making its alternative offer of three of its shares plus 82 cents cash for each Monier share worth A$4.12.

Mr Gareth Jones, Redland's corporate treasurer, yesterday confirmed that he had met Mr Hawkins of Equiticorp during the latter's visit to the UK this week.

Mr Jones did not disclose the details of his meeting with Mr Hawkins. He said he would not comment on Equiticorp's bid until the offer document and Monier's formal response have been circulated to shareholders.

"We want to let events take their course before we have a public view on the situation," Mr Jones said.

The option agreement between Redland and CSR is still in force, Mr Jones said. This gives Redland the right to purchase 0.3 per cent of Monier's equity from CSR, which would take the UK company's holding beyond 50 per cent, or to sell the whole of its 49.9 per cent stake to CSR for the highest price offered during the course of the bid.

CSR's sweeter future, Page 36

● ICI Australia said it would take over responsibility for sales and marketing of ICI group commercial explosives and accessories in South-east Asia from Imperial Chemical Industries, its UK parent, Reuter reports from Melbourne.

Wong Sulong on a leading Malaysian group's struggle for survival

Chong warns off foreign bankers

TAN SRI, Chong Kok Lim, one of Malaysia's leading businessmen, is fighting to keep his empire afloat as foreign banks take action to try to recover loans amounting to hundreds of millions of dollars.

At a news conference this week, the 75-year-old Tan Sri Chong, visibly tired and humiliated, warned the foreign banks not to push him too far, as collapse of his group would have severe repercussions in Malaysia.

It is not an idle threat, considering the extensive network of the Chong Kok Lim Group (CKLG), and the close links it has with several other major Malaysian businessmen. CKLG comprises more than a hundred companies in Malaysia, Hong Kong, Singapore and Australia.

On Monday, Tan Sri Chong was able to pre-empt a move by his foreign creditors to get him out of Landmarks Holdings, but at the expense of ceding control of this listed company to Peremba, a government property company.

The 15 foreign creditors include Westpac and ANZ of Australia, American Express Bank and Manufacturers Hanover of the US, and Britain's Hill Samuel. They had requisitioned an extraordinary general meeting to sack Tan Sri Chong and three of his sons from the Landmarks board.

However, the four resigned before the meeting to allow Peremba to take control. Tan Sri Chong and another son were later invited to join the board.

Landmarks owns the 388-room Regent Hotel building and the popular Sungei Wang shopping complex in Kuala Lumpur and is involved in property development and plantations.

With Peremba in control the foreign creditors are likely to leave Landmarks alone, and contemplate other forms of action to recover their loans.

The Chong family has appointed accountants Arthur Young to work out a rescue plan. According to a report by the firm, CKLG has total accumulated liabilities of 922m ringgit (US$376m), while the value of assets pledged is estimated at 1.06bn ringgit.

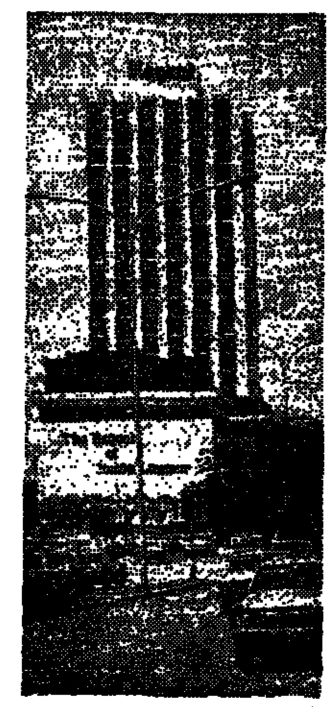
About half the liabilities are owed to foreign institutions. Most of the loans have not only fallen due, but are "grievously in arrears," to quote the high court judge who had earlier allowed the Landmarks emergency meeting to go ahead.

The problems of CKLG are typical of many major Malaysian groups which have got themselves into trouble, with a resultant exposure by both foreign and local banks.

During the 1981 and 1984 stock market booms, CKLG expanded heavily into property development, which was one of the most lucrative sectors in the early 1980s. These properties were often injected into listed companies. Banks were willing to lend, based on shares or property as collateral.

When the share and property markets collapsed in late 1984, CKLG found it could not service its loans. The banks were left with collateral far below the value of the loans.

Tan Sri Chong came from China to Malaysia at the age of 18. He became a labourer on a rubber estate, and later moved on to contracting and tin mining. He made good when, prospecting at Sungei Wang ("river of money") in Perak state, he hit a lode of almost pure tin.



Kuala Lumpur's Regent Hotel: one of the assets at issue

A centrepiece of the rescue plan in the Arthur Young report involves CKLG acquiring the remaining 59 per cent of Sri Hartamas Development (SHD) from Datuk Wong Kee Tat and Datuk Syed Kechit, two of Tan Sri Chong's business associates.

SHD owns 582 acres of prime housing land in Kuala Lumpur as well as 43 per cent of Sri Hartamas Corporation, a listed company. The SHD land has been valued at more than 700m ringgit.

The SHD owners had earlier proposed to inject SHD into Sri Hartamas Corporation, but dropped the plan following widespread opposition by minority shareholders of the listed company.

As there are many cross-pledges of assets in SHD, the Chong family feels it would simplify matters if it assumes full ownership so that SHD would be attractive to a potential buyer.

However, the CKLG creditor banks are not impressed.

"It may look wonderful, but it is not wonderful to us," said Mr Gez Keenan, an Amex Bank vice-president. He said the creditor banks were required to put another 53m ringgit into CKLG without the project generating any immediate cash-flow.

The banks are also questioning the value of the SHD land, given the depressed property market.

Tan Sri Chong said CKLG was not running away from its commitments. He said he needed more time, and his creditors should be more sympathetic.

"The tough and aggressive attitude of the foreign lenders has actually precipitated our present financial predicament," he said, referring to the forced sale of Landmarks and Sri Hartamas shares that CKLG had pledged to the banks.

HK hotels group loses court move

BY KEVIN HAMLIN IN HONG KONG

A HEARING into the battle for control of the Hong Kong and Shanghai hotels group, which has interests including the prestige Peninsula Hotel in Hong Kong, has decided that there is insufficient evidence to prove that predators acted in concert when acquiring substantial shareholding in the group.

The decision means that China Entertainment a company controlled by Mr Joseph Lau, and Lai Sun Garments, controlled by Mr Paul Lam, will not be forced to make a full bid for HK&SH, which is worth some HK$5bn (US$641m) and has been controller by the family of Lord Kadoorie for about 80 years.

The storm over control of HK&SH blew up three months ago, when China Entertainment and Lai Sun acquired an aggregate 30 per cent interest in the group. Mr Lau's ambitions to win control surfaced at its annual meeting in early May when shareholders backing him almost prevented Mr Michael Kadoorie, son of Lord Kadoorie, from being elected chairman.

Mr Lau originally bought 20 per cent from Mr David Liang, the outgoing chairman, and has since increased his stake to 26 per cent. Hong Kong securities law requiring a full bid to be made only when a shareholder controls more than 35 per cent.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE JUNE 5 1987

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	9.596	0.157	9.702	8.440
Australian Dollar	13.956	0.569	14.735	13.085
Canadian Dollar	10.516	0.468	10.819	9.372
Euroguilder	6.139	−0.016	6.250	5.804
Euro Currency Unit	8.563	0.836	9.041	8.219
Yen	5.686	0.655	6.656	5.218
Sterling	9.806	1.062	11.609	9.443
Deutschemark	5.901	0.034	6.652	5.896

Bank J. Vontobel & Co Ltd, Zurich - Telex: 812744 JVZ CH

HARRISONS MALAYSIAN PLANTATIONS BERHAD

(Incorporated in Malaysia)

PRELIMINARY REPORT FOR THE YEAR ENDED 31st MARCH, 1987

The Directors announce that the unaudited results for the year ended 31st March, 1987 were:

	GROUP 1987 M$'000	GROUP 1986 M$'000	%	COMPANY 1987 M$'000	COMPANY 1986 M$'000	%
Turnover	505,403	758,295	(33)	22,720	19,426	17
Investment and other income	13,390	21,071	(36)	66,668	85,846	(22)
Operating profit	74,171	126,686	(41)	68,186	86,924	(22)
Associated Companies	4,403	2,682	64	—	—	—
Profit before taxation (See Note 1)	78,574	129,368	(39)	68,186	86,924	(22)
Taxation (See Note 2)	30,175	50,278	(40)	27,081	34,692	(22)
Profit after taxation but before extraordinary items	48,399	79,090	(39)	41,105	52,232	(21)
Minority interests	85	4		—	—	
	48,314	79,086	(39)	41,105	52,232	(21)
Extraordinary items (See Note 3)	1,814	2,701	(33)	—	160	
Profit attributable to shareholders	50,128	81,787	(39)	41,105	52,392	(22)
Dividends	38,069	50,759	(25)	38,069	50,759	(25)
Retained profit for year	12,059	31,028	(61)	3,036	1,633	86

NOTES:	GROUP 1987 M$'000	GROUP 1986 M$'000	COMPANY 1987 M$'000	COMPANY 1986 M$'000
1) After charging:				
—interest	707	730	338	88
—depreciation	23,227	23,085	506	427
2) Taxation includes:				
—Current	25,704	45,079	28,218	33,181
—Deferred	3,917	4,754	(1,137)	1,511
—Under provision in respect of prior years	127	—	—	—
—Associated Companies	427	445	—	—
3) The extraordinary items comprise the following:				
Surplus on liquidation	1,814	2,351	—	—
Profit on sale of land	—	140		
Profit on sale of investments	—	210	—	160
	1,814	2,701	—	160

	1987 GROUP	1986 GROUP
Profit after taxation but before extraordinary items as percentage of turnover	9.6%	10.4%
Profit after taxation but before extraordinary items as percentage of shareholders' funds	2.9%	4.8%
Net earnings per share (in sen)	11.4	18.7
Net tangible asset backing per share	$3.95	$3.93

1987 RESULTS

The substantial decline in profit is mainly attributable to exceptionally low prices for palm oil and to a lesser extent cocoa, aggravated by a slight decrease in production mainly due to unfavourable weather conditions.

	1987 GROUP M$'000	1986 GROUP M$'000	% GROUP
Profit for the first half year after taxation but before extraordinary items	20,010	43,527	(54)
Profit for the second half year after taxation but before extraordinary items	28,304	35,559	(20)

CURRENT YEAR'S PROSPECTS

Crop production, apart from rubber which is expected to be similar, is estimated to increase over last year. A recovery in commodity prices, except for cocoa, began in the second half of last year and if maintained the current financial year will be better than the year just ended.

DIVIDENDS

a) The Directors have declared a 2nd interim dividend of 5 sen per share less tax payable on 14th August, 1987, and the Transfer Books of the Company will be closed at 5.00 p.m. on 16th July, 1987, for the preparation of dividend warrants. The Directors will propose at the Annual General Meeting to be held on 12th August, 1987, a final dividend of 5 sen per share less tax which will be payable in January, 1988.

b) The 1st interim dividend of 5 sen per share less tax was paid on 30th April, 1987.

	1987	1986
c) The total annual gross dividend per share	15 sen	20 sen

HARVESTED CROPS—TONNES	1987	1986
FFB	808,026	850,171
Palm Oil	170,523	178,766
Palm Kernels	49,184	51,412
Rubber	54,260	56,526
Cocoa	6,817	7,242
Copra	6,930	6,929

COPIES OF THE REPORT

A copy of the Company's Preliminary Report will be posted to shareholders on 16th June, 1987. Copies will also be available from the Company's registered office and the Branch Registrars, Baring Brothers & Co. Limited, Bourne House, 34, Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom.

By Order of The Board

MOHD. NADZIR MAHMUD

Secretary

Kuala Lumpur

10th June, 1987

Minebea withdraws $100m equity warrants Eurobond

BY CLARE PEARSON

ATTENTION focused again on Japanese equity warrants Eurobonds yesterday as Daiwa Singapore withdrew a $100m deal for Minebea. But Yamaichi International (Europe) underlined the market's continuing overall strength by setting a record low 1 per cent coupon on its $200m bond for Mitsubishi Chemical Industries.

Daiwa Singapore said Minebea itself had taken the decision to postpone indefinitely" the bond, launched in Asia, which had originally formed part of a two-tranche deal announced last week. Nomura International had withdrawn the European tranche, for which it was lead-manager, last Friday.

No reasons were given for Minebea's move yesterday but dealers said the company had probably become concerned at the discounts at which the bond had traded, apparently unsupported by the lead manager. It had been quoted at around less 10.

Elsewhere, however, many Japanese equity warrants bonds continued to trade well over issue price, reflecting further share price surges in Tokyo.

Mitsubishi Chemicals' bond, reaping the benefits of investors' enthusiasm for the pharmaceutical sector, traded at around 107, encouraging Yamaichi to slash its coupon to 1 per cent, ½ per cent down on the indicated level. This had no effect on the market price.

Dealers will now be looking for one of the next batch of equity warrants bonds to breach the 1 per cent coupon barrier. This seems certain, given the high premiums which some of the warrants can command in the market at the moment.

INTERNATIONAL BONDS

But Daiwa Europe found unspectacular demand for a $50m five-year equity warrants bond for Nikken Chemicals. The par-priced bond, with an indicated 1⅞ per cent coupon, traded at 98½ bid, compared with a par issue price. This was still well within the 2¼ per cent fees, however.

The Eurodollar bond market was once again subdued as the Venice summit reached its concluding stages. Comments by Mr Nakasone, the Japanese Prime Minister, that the Group of Seven was determined to prevent a further slide in the dollar encouraged prices to firm slightly towards the end of the day.

A recent $200m two-year bond for GMAC, however, drifted slightly outside its fees to less than 1¼ bid. This reflected a lack of conviction that the dollar bond market would improve, dealers said.

Two deals emerged in the overburdened Australian dollar market. Both bonds traded at levels outside their fees, indicating the oversupply in the market.

The issues were an A$75m seven-year 13¼ per cent bond for Eurofima, priced at 101⅝, and an A$30m three-year 14⅝ per cent issue for Christiania Bank, priced at 101⅝. Both were led by Bayerische Vereinsbank.

Deutsche Bank Capital Markets found better demand from West German investors for its C$100m deal for Deutsche Bank Finance. The 9⅜ per cent five-year deal, priced at 101, traded within 1⅞ per cent fees at less 1⅜ bid.

Wood Gundy led an NZ$50m two-year 18¼ per cent bond for the Canadian Federal Business Development Bank, priced at 101¼. The bond was expected to find demand mainly from Canadian investors, who may buy the deal immediately—rather than after a "lock-up" period—as it is for a Crown corporation.

In the D-Mark market, prices were sustained in low volume.

In Switzerland, turnover was low and prices were mainly unchanged.

Credit Suisse announced two convertible issues for Japanese companies. These were a SFr 55m five-year convertible issue for Sunstar, the toothpaste manufacturer, with an indicated ½ per cent coupon and par issue price, and a SFr 60m five-year par-priced deal, with an indicated ⅞ per cent coupon, for Toko, the coil, switch, and semi-conductor producer.

Banque Indosuez announced a SFr 25m eight-year convertible for Sullivan Mines, the Canadian gold producer. The par-priced deal carries an indicated 5⅜ per cent, semi-annual, coupon.

Japan and US in talks on reserve levels for banks

JAPAN AND the US yesterday are understood to have started two days of closed-door talks in Tokyo on establishing an international standard for banks' capital reserve level in order to secure fair competition of banks beyond national boundaries, Kyodo reports.

The US side, led by Mr William Taylor, director of the banking supervision and regulation division of the Federal Reserve Board, asked Japan to join hands to draw up a common rule for capital reserve levels to maintain sound management of private banks amid fear of lending losses from developing nations, it is reported.

The US and Britain agreed earlier this year to ask Japan to raise the reserve level which they said provided Japanese banks with a competitive edge.

The Japanese side, headed by Mr Tsuned Shindo, deputy director general of the finance ministry's banking bureau, told the US that Japan will further strengthen its guidance to improve capital reserve levels.

The ministry has set a guideline to raise the capital reserve level to 4 per cent and that of banks with overseas branches to 6 per cent, by fiscal 1990, starting in April 1990.

Philadelphia considers all-night trading

By Alexander Nicoll, Euromarkets Editor

PHILADELPHIA Stock Exchange, the leading market for currency options trading, is considering all-night trading hours in the latest example of a US exchange attempting to capitalise on overseas interest in risk management instruments.

The plan highlights the differing approaches by futures and options exchanges to globalisation of their markets. This is likely to be a controversial topic at a conference beginning in London today. It has been arranged by the US Futures Industry Association and Britain's Futures and Options World magazine and brings together top exchange officials and regulators from around the world.

Mr Arnold Staloff, a Philadelphia exchange official, said in London yesterday that it already planned to launch an evening session, from 7.00 pm to 11.00 pm local time, from September 17.

Though there is no formal proposal yet for a further extension through the night, he said: "It's a matter of what we have to do to service the needs of those markets that are awake while we are asleep." Philadelphia is targeting Japanese as well as Hong Kong, Singapore and Australian interest in currency options.

The Chicago Board of Trade, the world's largest futures exchange, recently launched an evening trading session to capitalise on Asian interest in financial futures but is also planning an extensive link with the London International Financial Future Exchange.

The link will reduce transaction costs for big firms which trade in both markets and will make the exchanges' futures contracts on US and eventually Japanese and British government bonds interchangeable. It is set against a background of growing round-the-clock business in the underlying securities.

The Chicago Mercantile Exchange opted some time ago for a pioneering and close link with the fledgling Singapore International Monetary Exchange.

While many other potential links between exchanges are in various stages of planning, they have proved difficult to forge, running up against clearing and regulatory concerns as well as internal resistance from exchange memberships.

Philadelphia's overnight plans would almost certainly mean a currency options trading link with the London Stock Exchange, under negotian for two years, will be abandoned, at least in the form that it was originally conceived. This would have made currency options traded on the two exchanges interchangeable.

The link has foundered on the reluctance of Philadelphia to have trading hours overlapping with London's because of domestic worries that cross-trades between customers of the same firm, unpopular because other firms are deprived of business, could easily be transacted on the London floor if it was open at the same time.

Friendly talks between the exchanges are continuing, but all-night trading in Philadelphia would make the question of overlapping trading hours moot.

Meanwhile, the priorities of the two exchanges have shifted. Philadelphia, having already developed considerable European interest in its contracts without the help of a London link, has turned its attention to capturing Japanese business.

London has had a huge increase in equity options volume over the past two years and is focusing on developing it further. Its two currency options, dollar/sterling and dollar/D-Mark, have seen virtually no trading.

Israeli coal facility lifted

By Our Euromarkets Staff

A SYNDICATED buyer credit facility for the Israeli National Coal Supply Corporation has been increased after oversubscription in syndication to at least $25m from the original $22m.

The facility, guaranteed by the Israeli Government and led by United Mizrahi Bank in conjunction with the Export Development Bank of Canada, is to finance partly a new coal depot near the port of Ashdod.

Israeli borrowers are rare visitors to the international loans markets. Of the financing, at least $14m will be provided by European and Canadian banks over five years with interest at the rate of 1 percentage point over London interbank offered rates.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on June 10

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	95	95½	+0¼	+0⅛	9.32
A/S Eksportfinans 7⅞ 93	100	92¼	92¾	+0⅛	−0⅛	9.19
A/S Eksportfinans 7¼ 92	150	93⅞	94⅜	+0⅛	+0½	8.85
Austria 7¾ 97	200	92½	[illegible]	0	−0⅛	9.24
BP Capital 9⅝ 94	100	100	100½	0	+0⅜	9.86
British Telecom 7⅞ 96	250	89¼	89¾	+0⅛	+0⅝	9.35
Campbell Soup 10½ 95	100	106	106½	+0⅛	−0¼	9.36
Canada 9 96	1000	99½	100	+0⅛	+0⅝	9.05
Canadian Pac. 10¼ 95	100	104⅝	105⅛	−0¼	+0⅝	9.64
CCCE 7⅛ 91	113	93¾	94¼	+0⅛	−0⅛	8.82
CNCA 7¼ 91	150	93⅝	94⅛	0	−0⅛	8.95
Citicorp 8¼ 93	200	91¾	92¼	+0¼	+2⅝	10.13
Credit Lyonnais 9 91	200	100¾	101¼	+0⅛	+0⅝	8.81
Credit National 7⅜ 92	100	93⅝	94⅛	0	+0¼	8.90
Credit National 9⅛ 93	150	100¼	100¾	+0½	+0⅝	8.99
Credit National 7¼ 91	150	94⅛	94⅝	0	+0¼	8.79
Denmark Kingdom 7⅛ 92	500	91¾	92¼	0	+0⅛	9.27
Denmark Kingdom 8¼ 91	300	97⅛	97⅝	+0¼	+0⅝	9.04
EEC 7 91	100	93⅝	94⅛	0	+0¼	8.61
EEC 8¼ 96	100	94	94½	−0⅛	−0⅝	9.21
EEC 7¼ 93	250	92½	93	+0¼	+1½	8.90
EIB 7⅝ 93 A	100	92⅝	93⅛	0	+0⅝	9.10
Finland 7⅞ 97	200	90¼	90¾	0	+0⅝	9.42
Finland 7½ 93	200	92¼	92¾	+0⅛	0	9.11
Ford Motor Cred. 10½ 91	150	104⅞	105⅜	+0⅛	−0⅝	9.08
Ford Motor Cred. 11⅞ 90	100	105½	106	0	−0½	8.83
Gen. Elec. Cred. 10¼ 00	200	102½	103⅛	+0¼	+1	9.86
Hoesch 7⅞ 92	100	95¼	95¾	0	+0¼	8.55
Hoesch 7⅞ 94	300	93¼	93¾	0	+0½	9.09
Hoesch 8¼ 97	100	93¾	94¼	+0⅛	+1	9.20
Liberty Mutual 8½ 96	150	93¾	94¼	+0⅛	+0¼	9.51
LTCB of Japan 8 91	100	96½	97	0	+0⅝	8.95
LTCB of Japan 8 97	200	91	91½	+0⅛	+0½	9.41
Mercds.-Benz Cred. 7½ 93	100	94	94½	+0⅛	+0⅝	8.73
Mitsubishi Fin. 7⅞ 93	100	92¼	92¾	0	+0⅝	9.45
Mutual America 7⅞ 92	100	93¾	94⅛	−0⅛	−0¼	9.27
Norway Kingdom 7¼ 91	500	94⅞	95⅜	+0⅛	+0¼	8.67
Pepsico Inc. 7⅞ 93	200	92⅞	93⅜	+0¼	−0⅝	8.91
Qantas Airways 10⅞ 95	140	104⅛	104⅝	+0⅛	+0⅝	9.57
Queensland Govt. 10¼ 95	200	103¾	103⅞	+0¼	+0¼	10.55
Ralston Purina 11¼ 95	150	106⅛	[illegible]	0	−0½	10.35
Saab Scania 9½ 92	125	101½	102	+0⅛	+0⅛	8.90
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS; SWISS FRANC STRAIGHTS; YEN STRAIGHTS; OTHER STRAIGHTS; FLOATING RATE NOTES: [illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Murata 3½ 00	7/84	1998	185¾	187½	−5	−2.76
Nippon Elec. 2⅞ 00	1/85	1295	245½	246⅝	−5⅞	148.49
Nippon Oil Co. 3 00	5/85	923	†245	246	+9	−3.50
OKI Elec. Ind. 3½ 99	10/84	805	150	151½	−4	−2.32
Omron Tateisi 2⅞ 02	4/87	1350	103⅞	104⅝	−1¼	−7.47
Sanwa Bank 2¾ 00	10/85	1442	482½	483½	+18½	3.72
Sumitomo Bank 2¾ 00	8/85	2142	480½	481½	+28	8.12
Toshiba Ceramics 3 00	4/85	1734	141½	142¾	−2¼	10.30
Nippon Oil Co. 2⅞ 92 SFr	3/84	1083	†144½	146	+0⅝	−1.04
Yokohama Bank of 2⅞ 01	10/86	1045	219½	221½	+13½	7.83

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

STRONG PRICES AND COST-CUTTING BOOST PERFORMANCE

Pilkington profits soar to £256m

BY STEVEN BUTLER

Pilkington, the UK glass company, yesterday reported pre-tax profits up from £123m to £256m in the year to March 31 1987, exceeding a conservative forecast of £250m made in January as part of its defence against a hostile bid by BTR.

However, profits fell £8m short of internal projections of £264m based on January exchange rates, with the difference resulting from unfavourable *foreign* exchange movement in the final three months of the year. Nevertheless, Pilkington said that for the year as a whole exchange rate movements were neutral.

The successful defence cost Pilkington £9.4m in extraordinary expenses.

"I think that's the best £9.4m we've spent in quite a long time, in my view," Mr Anthony Pilkington, chairman, said yesterday.

Earnings per share more than trebled to 73.1p (22.2p), while a total dividend of 22p was declared—an increase of 63 per cent.

Pilkington released an unusually detailed account of its trading results, a change that it attributed to reaction to the unsuccessful bid.

Sales *to outside customers* rose 59 per cent to £2.1bn, while trading profits more than doubled to £229.7.

The extraordinary improvement *in Pilkington's results* came from stronger glass prices throughout Europe at a time when the benefits of an internal cost-reduction programme came fully on stream. Trading profits in the UK alone soared from £1.8m to £63.6m.

"The whole balance of the group is so much better than it was. We were relying too Lmuch on our overseas operations," Mr Pilkington said.

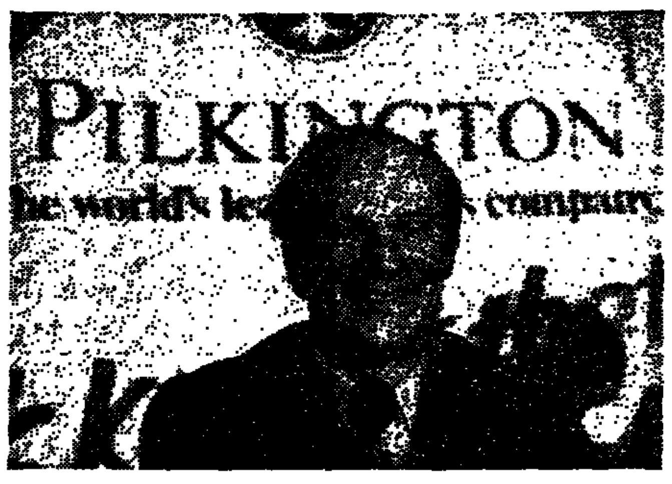
Sales of flat and safety glass rose from £892m to £1.68bn, with profits rising to £191.2m (£78.5m). Sales were boosted by the acquisition of the glass *division of Libbey-Owens-Ford,* in which Pilkington previously held a 30 per cent stake. LOF contributed £34.7m to profits, including three months in which it was a related company, and 11 months when it was a wholly-owned subsidiary.

LOF has embarked on a heavy capital expenditure programme which is expected to boost profit margins in the future. It is also completing a study of the world market for auto-glass, now that *Pilkington* has for the first time a global reach with its safety-glass products, with possible recommendations for restructuring the auto-glass supply operation.

The insulation division, which produces glass and mineral fibres, returned to the *black,* posting tarding porfits of £23.8m after losses of £0.8m in the previous year. This was again the result of a combination of cost — reduction programmes, including redundancies and energy savings, and a rise *in* prices.

Profits in opthalmic and special glass rose to £10m (£8.4m). This was affected by sluggishness in Japanese camera exports, for which Pilkington supplies optical glass.

However, opthalmic products are seen to have an excellent long-term future because of the aging population in Europe.



Anthony Pilkington, chairman of Pilkington

Profits in the electro-optical defence products rose to £9.6m (£7.7m), while new ventures in this area produced losses of £5.4m (£4.5m losses). Trading profits in aircraft and special products were £1.5m (£1.4m).

Spending on research and development increased to £64.4m (£41.3m).

Total extraordinary losses came to £31.8m (£2.8m losses), increase both by the takeover defence and the closing down of various operations, which cost £17.9m.

BICC to take 45% stake in Cablec

By Steven Butler

BICC, the large construction and electric cables group, is opening the way to a major assault on the US market for power cables with an agreement to take a 45 per cent stake in Cablec Corporation, a US power cable producer.

The companies have signed a letter of intent under which BICC would *purchase Cablec* stake later this year.

Cablec underwent a management buyout from Phelps Dodge, and later acquired power *cable* businesses from Essex and from Anaconda. It has factories in New York, Indiana, Illinois, and Kentucky, with over 1,000 employees. Its annual sales are said to be in excess of £100m.

BICC has a relatively strong presence in the Commonwealth *presence in the Common*wealth countries, including a stake in Phillips Cables of Canada, but *is* relatively weak in Europe and the US. BICC said the Cablec purchase would complement its Canadian operation.

Financial and other details of the transaction *will* not be *available for several months,* when the agreement is finalised and receives regulatory approval.

Staveley boosts profit 31%

Staveley *Industries forecast* of further growth in 1986-87 was confirmed by yesterday's announcement of a 31 per cent increase from £10.84m to £14.22m *in pre-tax* profits for the year to March 28, its fourth consecutive increase.

The directors said there was now an improving balance between various activities and, for the first time in recent years, the contribution from other parts *of Staveley had* exceeded that from the minerals group—measurement, manufacturing and mechanical and electrical services contri*buted trading profits* of £8.32m against the £7.95m earned by minerals.

Measurement activities benefited from the acquisition of 51 per cent of Weigh-Tronix, Fairmont, Minnesota, and its merger with NCI, Santa Rosa, California, as well as producing improved trading results despite the weaker dollar.

Total group turnover rose from £175.92m to £199.35m last year, £95.47m of which was attributable to Mechanical & Electrical, £41.32m to Manufacturing, £38.82m to Measurement and £23.73m to Minerals. Oper*ating profits totalled* £15.35m (£12.14m) and net interest payable was £1.13m (£1.3m). Taxation charged was £2.94m (£2.22m) and minorities were £349,000 (£64,000 credit). Extraordinary items amounted to £1.63m (£982,000) leaving attributable profits of £9.3m (£7.71m).

Earnings per ordinary share worked out at 63.9p (53.1p) to support a 2.5p increase to 20p in the total dividend with a proposed final of 14p (12p).

Bids to be invited for Associated Book

BY RAYMOND SNODDY

Interest in **Associated Book Publishers** has been so great from both sides of the Atlantic that an auction is to be held to determine the future of the company.

Around six major publishing organisations are likely to be *invited to submit bids* for the British company which publishes Adrian Mole and a wide range *of legal textbooks.*

The ownership of ABP could change hands by the end of the month.

The interest in the future of ABP, whose *imprints* include Methuen, Routledge & Kegan and Sweet and Maxwell, became intense last week when the company announced it had received a bid approach.

The approach came from Gulf and Western, the parent group of US publishers Simon & Schuster. Gulf and Western approached the Eyre *Family* Trust which controls 36.65 of the company's shares. Under Stock Exchange rules such a sale would lead to a formal takeover bid and an offer for the rest of the shares.

All the signs are that the family trust intends to sell its stake although, apart from price, soundings are being taken to see which potential suitor would be the most suitable new owner.

Non-executive directors have been talking to potential purchasers and will report to the executive directors at a board meeting today.

Octopus Publishing is one of the companies which have expressed an interest in ABP, although it is not clear whether it would be prepared to take part in an auction.

Since the news of the bid approach and the fact that the family trust interest might no longer be a blocking stake, the share price has soared from 275p to 560p.

FJC Lilley debt level falls and contracts won

By Terry Povey

MR LEWIS ROBERTSON, chairman of the struggling FJC Lilley construction company, yesterday told shareholders at the annual general meeting that the debt level was falling and that £20m of new UK contracts had been won.

Also announced at the AGM was the surprise resignation of *Mr David Beardsmore, the* assistant managing director whose name was on the order paper for re-election to the board. Mr Joe Barber, the chief executive, said that Mr Beardsmore had decided to resign following various changes on the board.

"From now on," said Mr Barber, "there will not be an intermediate director between me and the heads of the UK operating companies."

Mr Bernard Doyle has been appointed a director and Mr Ian Dickson, as technical director, has joined the team of three—*including the finance director*—working closely with Mr Barber at the company's headquarters.

Allied Colloids up 50% to £29.2m

ALL-ROUND growth helped Allied Colloids, industrial chemicals group, to produce a 50 per cent rise in pre-tax profits to £29.21m on turnover *up from £19.78m to £142.81m.*

Earnings per share for the year to March 28 rose from 9.54p to 14.53p, and a recommended final dividend of 2.75p (1.8p) makes a total of 3.75p for the year, against 2.5p.

Mr Peter Flescher, director, said that all divisions had performed well, especially pollution and paper, while oil—which accounts for a small proportion of sales—had suffered from the industry recession.

New capital investment in buildings, plant and machinery, in the UK and abroad, amounted to £10.8m (£11.5m), but the group's strong profitability and a significant improvement in working capital gave a improvement in liquid funds of almost £15m.

The profit of £251,000 on the sale of the group's South African subsidiary was listed as an *extraordinary item.*

Interest charges fell from £1.14m to £345,000 and tax rose from £7.54m to £10.88m. Currency fluctuations produced a £451,000 debit.

The board is proposing a one-for-one capitalisation.

● comment

Allied Colloids has left the teens behind and shot through to an almost middle-aged profit level with only currencies, a £1m depressant, preventing the £30m being breached. Acrylonitrile prices were *10 to 15* per cent *lower,* stock controls a good deal tighter while administrative and distribution costs fell as a proportion of sales. *If there is a product on which this* success can be pinned it is Salsorb, the softest and most absorbent thing next to the thing (often) next to a baby's skin. Polymers are beginning to enter the nappy market in the UK through Mothercare, which has been testing consumer reaction, and soon through Boots and others. In the US, Procter and Gamble have been "ultra pampering" with considerable success. Borrowings have been eliminated and the group is £4m or so net cash—which should grow this year. Growth, however, is *likely* to be contained to £36m pre-tax, due to the weakness of the dollar. The shares at 281p are on a prospective p/e of 15½.

Glaxo confirms pre-tax forecast

MR PAUL GIROLAMI, the chairman of Glaxo, pharmaceuticals manufacturer, said yesterday after the company's listing on the New York Stock Exchange that he was comfortable with financial anlaysts' earnings per share forecast of between US$1.05 and $1.15 for the year to end-June.

Mr Girolami said 1987 pre-tax profits should be about £800m and the current weakness of the dollar should wipe out the currency exchange gains reported for the six months to end-December 1986.

Currency factors would play an insignificant role in the 1987 financial year, he said, but the company was expecting significant currency in 1988.

GT ASIA (Sterling) Fund: Net assets at offer valuation, equivalent to all shareholders' equity, were £20.27m as at March 31 1987. Net loss for year £6,835. and loss per share 3p.

Tie Rack's £1 voucher for unlucky applicants

BY ALICE RAWSTHORN

Tie Rack, the retailing group which has staged a heavily over-subscribed flotation, has decided to *"compensate"* unsuccessful applicants for its shares with a consolation prize.

Each unsuccessful applicant will receive a £1 voucher for a purchase *of over £5* at a Tie Rack shop, together with the letter informing them that their application has not been successful.

The Tie Rack flotation closed on Tuesday. Yesterday its sponsor, Samuel Montagu, announced that it had attracted applications for 84.6 times the number of *shares available.*

In its flotation, Tie Rack issued 8.6m shares at 145p. The issue closed two days before the General Election, and is one of the most expensive in the history of the City of London, yet it was heavily over-subscribed. Investors sent in 315,000 applications for 728m shares. Thus it attracted applications worth £1.06bn.

Employees and franchises applied for 1.23m shares. *Samuel Montagu will allocate* 806,000 shares to these applicants on a preferential basis. The remainder will be treated as applications from the general *public.*

Samuel Montagu will allocate the shares as follows: applications for 500 shares will go into a ballot for 200; for 1,000 *shares into a ballot for 400; for* between 2,000 nad 5,000 into a weighted ballot for 500; for 6,000 to 10,000 into a weighted ballot for 800; for 20,000 to 50,000 into a weighted ballot 20, into a weighted ballot for for 1,500; and for 100,000 to *2,000.*

Applications for 250,000 shares and more will receive 1.1 per cent of the shares applied for.

Dealings *in Tie Rack's shares* should begin on Tuesday, when the shares are expected to rise to a healthy premium.

OSI lifts Redfearn stake

BY DAVID WALLER

Shares in Redfearn National Glass rose 12p to close at 570p yesterday after it was announced that Overseas Strategic Investment Group — a company owned indirectly by Antipodean entrepreneur Mr Dick Pratt — had increased its holding to 8.86 per cent of the equity. The Brierley Group from New Zealand already has 24.5 per cent of the Yorkshire-based glass maker.

OSI took a 6.8 per cent stake in January. Mr David Richards, Redfearn finance director said that the purchase of an extra 122,500 Ordinary Shares gave him no reason to fear a hostile bid.

Sound Diffusion 'not in bid talks'

BY PHILIP COGGAN

Sound Diffusion, the electrical equipment leasing group, yesterday stated categorically that it was not discussing the possibility of being taken over and Mr Paul Stonor, the chairman, dismissed as "total *fantasy*" rumours that he had arranged to sell his shares to any other company or person.

Last week, the company postponed the announcement of its *preliminary results*—the second year running it had done so. It now says that the anomalies in the computer models, which caused the delay, were more extensive than was at first thought. It will be necessary to write a series of completely new programmes before accounts can be published.

Management accounts show profits in the region of £10m but certain factors used in the interim financial models have not been agreed with the auditors. The *factors* may change the distribution of profits between 1986 and subsequent years.

DIVIDENDS ANNOUNCED

	Current payment	*Date* of payment	Corres- ponding div	*Total* for year	*Total* last year
Allied Colloids	2.75	Aug 28	1.8	3.75	2.5
British Land	2.25	Aug 19	2	3.5	3
Business Mort	1	—	0.76	2	1.51
Caffyns	4.3	July 28	3.3	7.5	5.5
Carr's Milling ......int	1.75	—	1.75	—	6.5
Electra Inv Tst 2nd int	2.4	July 21	2.3	4.4	4.1
Great Portland Est ...	4.8	July 22	4.6	7.3	6.6
JFB ....int	0.5	July 20	—	—	0.25
M&G Second	6.45	—	5.5	13.55	11.3
Moss Advertising ...int	‡1	—	1	—	2
Pilkington	15.5	—	8.5	22	13.5
Staveley Indust	14	Aug 4	12	20	17.5
Welpac	‡0.35	—	0.3	0.35	0.3

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by *rights* and/or *acquisition* issues. ‡ USM *stock.* § Unquoted stock. ¶ Second interim in lieu of final. ‖ Third market.

UK COMPANY NEWS

STARK CONTRAST IN HISTORIES OF WPP AND JWT

Audacious bid ends speculation

THE CONTRAST could hardly have been more stark. Two years ago WPP Group was an obscure shopping trolley manufacturer in Kent. Yesterday it was bidding £277m for J. Walter Thompson, one of the world's most famous advertising agencies.

In May 1985 WPP shares were 38p and a capitalisation of £2m. The arrival of Mr Martin Sorrell, fresh from orchestrating the rise and rise of Saatchi and Saatchi, and Mr Preston Rabl, his stockbroker partner transformed it, 15 acquisitions later, into a £100m Anglo-American marketing services group.

On news of the group's latest, and most audacious, bid for the world's fourth largest advertising agency, WPP shares stood at £11¼, up ½.

An increase of more than four times in profits and a five-fold increase in turnover in two years have done much to endear the company to analysts. At a high watermark, success of Harvard-educated Mr Sorrell showed itself in shares that traded at 60 times earnings.

Though now standing at about half that, compared with the UK average of 10 times, this has done little to tarnish the group's image as one to watch, closely.

The track record has been achieved by concentrating on below-the-line services, mainly design and graphics, audio-visual, incentive operations and sales promotion. They are areas which Mr Sorrell pinpointed as offering substantial growth and profitability as marketeers continued to divert budgets into non-advertising areas.

The Sorrell style of management—Rabl recently left the company to pursue family business interests after his father died—allows companies in the group to run their own businesses answering to the core management team (pared down to just eight in the UK and two in the US) on all financial matters.

In the past six months the group has moved into the US. Purchases include the San Francisco design group, Sidjakov, Berman and Gomez and real estate advertising agents Pace Communications.

Our longer term-strategy to be a major multinational marketing services group, "whether you like it or not, has to include above-the-line advertising, which accounts for one third to one half of the market," said Mr Sorrell.

"We have two responsibilities, to our clients and to our institutions and in order to be credible our long-term strategy must include all aspects of marketing services to keep both happy."

The news that a bidder had emerged for the beleaguered 123-year-old advertising agency ended months of speculation on Madison Avenue. It has been racked by management upheaval that has seen the departure, enforced or otherwise, of several key managers, and an earnings slump from about $20m a year in the early 1980s to $5.9m last year. In the first quarter of 1987, it reported a $1.4m net loss.

However, clients have remained loyal and the agency continues to shine at what it does best, making advertisements.

With one of the best creative reputations on both Madison Avenue and in London, JWT clients include IBM, Ford, Unilever, Sears Roebuck and Nestle. The JWT group also includes the world's largest public relations consultancy, Hill & Knowlton and MBA, a leading market research operation.

Earlier this year Mr Don Johnson, a 60-year-old JWT veteran who has headed the group for more than a decade, survived a mangement coup by sacking Mr Joe O'Donnell, his heir apparent, and Mr Jack Peters, the president and chief operating officer. Since then several senior executives have left. It is Mr Peters, among others, whom WPP aims to reinstate, and it would be unlikely that Mr Johnson would continue under a WPP regime, whatever the bid terms.

Martin Sorrell, chief executive of WPP

While Madison Avenue might still love JWT it is clear that Wall Street has lost confidence in the ability of Mr Johnson and his constantly changing top management team. JWT shares, which had jumped $3 on Tuesday rose by another $8⅝ to $47⅞ in early trading yesterday as analysts speculated about the possibility of another bidder entering the battle.

Until now conventional wisdom has been that advertising agencies were off limits as far as hostile takeover bids are concerned because the creative geniuses running the agency would walk out of the door if they did not like the look of the new owner.

However, the mood is changing, and despite its recent problems and highly erratic earnings record, there is a growing belief that bidders might be willing to risk a hostile takeover bid in order to win what has been described as "one of the most valuable marketing franchises in the world."

The range of options facing Mr Johnson is limited. He has told employees in the past that a hostile bid would be met with an equally hostile response. But analysts question whether he can count on the support of Wall Street for any defensive manoeuvre, such as taking the company private, given his poor record in managing the company.

Other options including seeking out a friendly white knight such as General Electric, or selling some of the major parts of the business, such as Hill and Knowlton and passing money back to the shareholders.

Reaction in London was that it was highly cheeky, but predictable, given the group's general ambition and fast growth.

"*If he does it at this price* its a very good deal," said Mr Mark Shepperd of Phillips and Drew. "JWT is basically on its knees and there is the substantial recovery potential *if* you think its earnings ought to *be $60m rather than $25m*."

Mr Johnson is known to be a determined individual. Mr Sorrell is not known for his soft centre either. As he points out his offer is negotiable and with resources raised considerably in excess of the offer made, the outcome is far from decided.

In the London JWT office, regarded as a jewel in the group's crown, management confirmed there were no discussions of any sort on a London management buy-out. Staff were told yesterday to keep their heads down and continue to do their work—because "in the end the shareholders would decide."

Great Portland lifts its asset value 12%

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

Great Portland Estates, the property investment company which has recently been adopting a more aggressive approach to development and trading, yesterday announced a 12 per cent increase in its net asset value and a 13 per cent increase in pre-tax profits.

The level of the figures had been widely expected on the market and the shares responded wanly, slipping 1p to 279p.

The net asset value at the end of last March was 242p a share, but that did not incorporate the value of properties held for trading. Had they been included the value would have been more like 250p.

Pre-tax profits for the year to March 1987 were £21.1m com*pared with £18.69m earned in* 1985-86.

The board has declared a final dividend of 4.8p, making total payments for the year of 7.3p against 6.6p paid the previous year. Earnings per share rose from 8p to 9.2p.

Over the last two years, Great Portland has been seeking to revitalise its portfolio. Sales over the past year came to £9.3m, which left a surplus of £378,000 after the payment of capital gains tax. This brings disposals over the past five years to more than £30m gross, with a net surplus of £2.27m.

The company's investment portfolio has been valued at £385.9m.

In the past 18 months Great Portland has spent £70m on acquisitions, including since the financial year-end a 50 per cent stake in Bride Hall Group, a development company with a programme of £300m. With the Bride Hill projects taken in, the Gerat Portland development programme is worth £500m.

Rental income over the past financial year from a portfolio concentrated on central London climbed from £21.22m to £26.39m the previous year. In line with the rise in development expenses, interest payable rose from £1.4m to £2.8m.

● comment

With its strong central London portfolio, Great Portland, like British Land, has been able to reap the benefit of higher rents over the past year. But rental growth is likely to slow down next year as the company loses revenue from properties being redeveloped. Two years ago Great Portland had nil gearing. This year it is likely to rise to 15 per cent to finance the development programme. The company has recently issued another £40m of debentures. As Land Securities has warned, the build-up of a development programme is likely to restrict income growth over the short term. So it is probably not much use looking for 1987-88 pre-tax profits of much more than £23.5m, meaning earnings per share of 10.5p and a prospective p/e of 26.5. *But the development will flow* through into net asset value per share, more strongly perhaps in 1988-89 than in the current year. With the Government's change in the Use Classes Order, Great Portland will over a period be able to convert some 250,000 sq ft of space it holds north of Oxford Street in central London into offices. This could also affect the nav. By the end of the current year, the nav should be between 275p and 290p a share.

GREENWICH RESOURCES (gold and other mineral exploration) reported pre-tax profits up from £128,000 to £482,000 in the six months to March 31 1987. The figure includes £162,000 (£134,000) from gold sales, augmented by a profit of £114,000 on the sale of the company's interest in Aunore Resources of Canada. Profits also included net interest receivable of £409,000.

C. ITOH AND CO., LTD.

To the Holders of the Bearer Depositary Receipts :

Notice is hereby given that the 63rd General Meeting of Shareholders of C. Itoh and Co. Ltd. will be held at 10.00 a.m. on 26th June 1987, at head office of the company located at 68 Kitakyutaro-Machi 4-Chome, Higashi-Ku, Osaka, Japan.

Notice of convocation of the meeting is available at the Stock Counter, Hambros Bank Ltd., 41 Bishopsgate, London EC2P 2AA, and Banque Internationale a Luxembourg S.A., Luxembourg, Boulevard Royal 2.

Business Operations and Results for the 1986/1987 Fiscal Year (ended 31st March 1987):—

In Fiscal 1986/1987, the Japanese economy became increasingly stagnant, a consequence of the appreciated Yen. In the manufacturing sector especially, employment levels were adjusted in the latter half of the year, and production and investment in plant and equipment declined as a result of low export volume and profits. Various measures taken by the financial sector to improve the situation were not effective. Likewise, the positive trends in individual consumption, housing investment, and plant and equipment investment in non-manufacturing industries, the result of stable prices and a lowering of interest rates, did not offset sluggishness in manufacturing.

The trade balance showed a certain degree of improvement when considered on a volume basis: however, the dollar-based account surplus widened during the year, exacerbating trade friction between Japan and the United States and Europe. The overall economic picture in the United States is one of steady growth, supported mostly by strong demand in the household sector. However, earlier measures to address the trade imbalance by devaluing the dollar have had little, if any, effect. There is a growing protectionist sentiment in the U.S. Congress as production and investment in the private sector slacken. In western Europe, moderate expansion of domestic demand is continuing as inflation subsides, but the appreciation of European currencies against the U.S. dollar gives little hope for an improvement in exports.

The Newly Industrialized Countries (NICs) of Asia, on the other hand, showed a high level of growth during the year, owing in part to the appreciation of the Yen and European currencies. Heavy dependence on primary products, however, caused sluggish overall economic conditions in developing countries. Crude oil prices, which had sharply declined in the summer, recovered somewhat in the latter half of the year, after OPEC agreed to tighten its production-curtailment policy.

Operating in such an environment, C. Itoh responded to changes in the industrial structure under the appreciated Yen by emphasizing profits, improving operating efficiency, and strengthening and reforming operations.

Efforts were made to expand imports by establishing a counter-trading company and sponsoring an exhibition of imported products. In the communications field, we are striving to become no less than a second KDD.

Although C. Itoh's domestic transactions increased during the year, there was an overall decline in import, export and oversees transactions due to the strong Yen and relatively low crude oil prices. Thus, total trading transactions decreased 7.0 per cent (1,068 billion Yen) from the previous year, to 14,255.8 billion Yen. Gross trading profit declined significantly, reflecting the deterioration of the export environment. However, ordinary profit (trading income plus *other income (expenses)) decreased only 13.7 per cent, or 5.5 billion* Yen, from the previous year, the result of a retrenchment in selling, general and administrative expenses as well as an improvement in financial expenses from reduced interest rates and other factors.

Net income advanced 1.4 billion Yen to 9 billion Yen. There was an extraordinary loss of 23.7 billion Yen, a decline of 5.8 billion Yen from the previous year, including a 10.3 billion Yen exchange loss on foreign-currency receivables and debts.

A total dividend of 5.00 Yen per share was paid during the year, 2.50 Yen at mid-term 2.50 Yen at year-end. The dividend remained unchanged from that of the previous year.

Annual Report for the 1986/1987 Fiscal Year will be available at Hambros Bank Ltd., and Banque Internationale a Luxembourg S.A. by the end of July 1987.

APV Baker's £15.8m purchase

APV Baker, the recently merged engineering group, yesterday announced agreement to purchase Pasilac-Danish Turnkey Dairies from the Danish Sugar Corporation for £15.8m.

The acquisition will extend APV Baker's *marketing reach* in Europe and in the developing world, while adding new products to its range of food processing equipment.

The purchase is to be satisfied by the issue of 2.25m new ordinary shares of APV Baker, representing about 4 per cent of the company, which are to be retained by the Danish Sugar Company.

Pasilac-DTD designs, manufactures and sell specialised process plant to the dairy, brewing and animal feed industries, with a strong presence in Scandinavia.

Mr Fred Smith, APV Baker chief executive, said the acquisition would open up new markets in the Soviet Union and in India, Pakistan, and China, where Pasilac-DTD is the first foreign company to supply large dairies.

Institutions may thwart Contibel

BY LUCY KELLAWAY

INSTITUTIONAL investors in Contibel, part of the old Imperial Continental Gas group, are preparing themselves to go against the advice of the company's board and Morgan Grenfell in rejecting the £395m offer being made by two large Belgian holding groups.

The bid, which is being made Bruxelles Lambert, closes next by Tractebel and Groupe week. If it does not succeed, it will be one of the first examples of an agreed takeover being thrown out by shareholders.

Since the details of the bid were announced in April, the shares have consistently traded above the 278p offer price, and by yesterday stood at 285p, up 3p.

Provident Mutual, which owns 5 per cent of the shares, said yesterday that it had no intention of accepting the offer. "We are not alone. I am sure that every other institution will also reject it, because the assets are worth more than we are being offered for them," Provident said.

The pricing of the issue is particularly complex because as a UK company with Belgian assets, the group is tax inefficient.

Mr Roderick Peacock of Morgan Guaranty, joint advisor to Tractebel, defended the offer yesterday by saying "there is no way of reorganising the company that would get the shareholders better value in cash."

UK COMPANY NEWS

JFB advances to £2.7m at midway stage

Johnson and Firth Brown, the Sheffield-based metals and engineering group currently involved in litigation with the auditors of its former subsidiary, Gills Pressure Castings, reported pre-tax profits up from £1.85m to £2.68m in the six months to March 31 1987, on turnover down from £49.21m to £42.45m.

The equivalent period last year contained an unexpected £1.3m loss from Gills, offset against £516,000 made on companies sold.

Mr John Clay, chairman, reported that the company had disposed of three subsidiaries —Gills, Cannon-Muskegon, and J&N (Winding Wires)—which all together last time incurred a loss of £823,000.

JFB declared an interim dividend of 0.5p; last year it paid a single dividend of 0.25p.

He said the company was confident that it should be able to show a satisfactory improvement for the full year. This was despite a substantial shift in the pattern of exchange rates over the past few months. To the majority of the companies in the group these changes have on balance been of advantage, but in aerospace the weakening of the dollar has been an adverse factor and may explain part of the order shortfall.

JFB looked to increased sales both in western Europe and the US as a major source of expansion; it also hoped to grow by acquisition.

Mr Clay said that there were gratifying improvements in the results of operating subsidiaries despite no overall improvement in demand; the company's associated companies, jointly owned with BICC, more than doubled their profits contribution from £304,000 to £684,000.

● comment

For the time being Johnson & Firth Brown appears to be swimming against the tide—just after it got rid of its troublesome Gills subsidiary, the company's largest customer Rolls Royce cut components orders from JFB by 30 per cent. Not surprisingly therefore operating profits this time are actually down on those halfway through last year once the £1.3m worth of wobblies discovered in the Gill accounts are added back. However, thanks to a combination of a doubling of the associates contribution (a joint-venture with BICC), a lower interest charge (although gearing has moved up marginally, to 68 per cent) and an undemanding tax charge, earnings per share actually moved ahead. The shares have moved sideways against the market since early 1986 and unless RR (now that its flotation is behind it), can be persuaded to take up more from JFB it is hard to see the company breaking through the £6m pre-tax level. The shares at 38½p look fairly cheap given the prospective p/e of 10 and the return to paying an interim dividend but the aerospace position remains unclear and that ought to suggest caution.

BET buys Irish laundry in deal worth over £3m

BY STEPHEN BUTLER

BET, the diversified UK services group, yesterday announced the purchase of a privately-owned laundry company, based in the Irish Republic, for I£3.35m (£3.04m) in cash and shares.

BET paid I£80,000 to Swastika Laundry along with 1.18m new BET ordinary shares, calculated at a price of 248p. Swastika Laundry trades as Irish Linen Services in Ireland and as Monarch in the UK.

BET shares yesterday closed 1p down at 280p.

BET said it had arranged for a secondary placing with European investors of the remaining 2.58m shares issued in connection with the recent £75m acquisition of Scott Greenham, the lifting contractor. The shares are to be sold at market prices following the release of BET's annual results on Thursday next week, and BET hopes to raise £7.3m to repay borrowings.

BET has decided to seek a listing of its shares in Switzerland, France, Germany and the Netherlands. It has received shareholders' approval to issue $200m worth of new shares in North America this summer.

Camford profits up 28% to £1.1m

Against a 6 per cent increase from £27.09m to £28.72m in turnover for the six months to March 31 1987, Camford Engineering pushed up its pre-tax profits 23 per cent to £1.12m (£911,000).

The directors said they expected progress to be maintained during the second half of the current year and into the next financial year.

Tax charged was £291,000 (£137,000)

Surprise 42% lift for British Land

By Paul Cheeseright, Property Correspondent

British Land, the property investment, development and trading group, yesterday surprised the market with a 34 per cent increase in its net asset value and a 42 per cent increase in its pre-tax profits.

Net asset value per share rose by 69p over the year to end-March to reach 271p a share, adjusted for a 45 per cent increase in share capital in January which raised over £100m.

Pre-tax profits for the year to end-March were £30.1m compared with £21.1m in the preceding year.

The final dividend is 2.25p, bringing payments for the year to 3.5p, after 3p in 1985-1986. Earnings per share were 15.7p, compared with 12p the previous year.

The immediate reaction of the market was to lift the share price by 19p. But the price fell back, both on profit-taking and on rumours that British Land was planning another rights issue, this time to make a bid for Great Portland Estates.

At the end of the day the shares closed 12p higher at 263p, compared with the placing price, announced last December, of the share issue at 170p.

Mr John Ritblat, the chairman, said yesterday that the company was always in the market for good acquisitions, using cash as distinct from paper. British Land, he said, would not be going to the capital markets—there would be no more rights issues.

The company's properties have been valued at £797.6m and its gross assets have topped £1bn. Over the year its investment property portfolio nearly doubled to reach £620m. The current building and redevelopment programme, at a cost of £1bn, will give the portfolio an extra 2m square feet of space.

● comment

British Land shares have now fully absorbed the depressing effectof the huge placing last January and at 262p are trading at only a slight discount to their net asset value. Like other property companies with substantial London interests, the company has been able to watch pressure for space push up rents. It could sit back and watch its rental revenue go up 27 per cent over three years. Growth should continue this year as British Land gets a full year's benefit from both its underlying portfolio and from recent acquisitions like the half shareof Euston Square it did not already own. Last January's placing has reduced gearing and British Land is now well placed for new acquisitions. With the office market strong and developments coming on stream it is not unrealistic to look for net asset value, the key barometer of the company's progress, to rise by more than 50p to 325p a share, without further purchases. Pre-tax profits look set to rise to at least £38½m, but the diluting effect of the capital issues would leave earnings per share static and the prospective p/e at 17.

Philip Coggan details the growth of Glentree

Twins' record maintained

MR BOB TANNER and his wife were so impressed with the young estate agent who sold them their house that they decided to set him up in business.

It was a lucky break for the then 21-year-old Mr Trevor Abrahmsohn because Mr Tanner was making no idle promise. With his partner, Mr Peter Whitfield, he had already established three public companies — Clubman's Club, now part of Mecca Leisure; Orme Developments, subsumed within Trafalgar House; and Fleet Street Letter, the tipsheet into which Carlton Communications reversed.

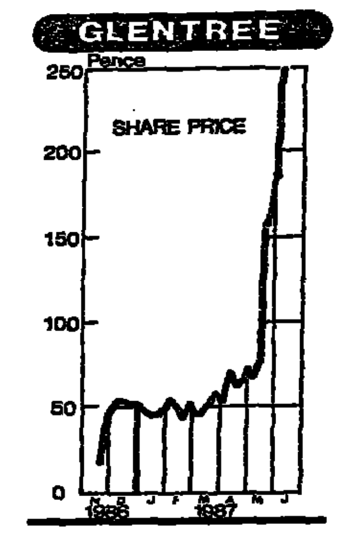
Mr Tanner and Mr Whitfield are no strangers to controversy. They were known as the "terrible twins" in the seventies after they quietly sold the Mecca shares they received as consideration for Clubman's Club only four months after they had joined the board.

But no one doubted the twins' ability to make money. And Glentree, the estate agency which they helped Mr Abrahmsohn establish in 1976, has maintained their record.

The company joined the Unlisted Securities Market last November at 16p per share. Just seven months later, the shares touched 270p.

Glentree, originally just a two-man team of Mr Abrahmsohn and his afther, Sidney, now chairman, quickly established its reputation as an up-market agent. Within months of its foundation, it had sold Britain's first £1m house and soon carved out a niche in the richer parts of north west London.

Mr Abrahmsohn's flair for showmanship was undoubtedly the driving force, to advertise



the stock market flotation he drove a Rolls Royce Corniche convertible, decorated with balloons and tinsel, to the Stock Exchange. Described as young and thrusting in his own publicity, he promised that the group would soon be unrecognisable.

All this was treated with a healthy dose of scepticism in the parts of the City which admired Mr Abrahmson's verve but retained a suspicion that the buoyant conditions in the residential property market might not last for ever.

But last month Glentree pulled off a deal that threatened to put some substance behind Mr Abrahmsohn's more optimistic predictions. Mr David Thompson, co-founder of Hillsdown Holdings, agreed to take a 54 per cent stake, injecting more than £6m.

It is hard to imagine two more dissimilar characters than the brash Mr Abrahmsohn and the publicity-shy Mr Thompson. But they obviously hit it off. They met for the first time on a Monday, on the Tuesday, Mr Thompson visited the Glentree offices to agree the deal and on the Wednesday, the terms were announced.

On Thursday, Glentree's market capitalisation nearly doubled, as the share price jumped 70p to 145p. The fact that Mr Thompson was not planning to take an executive role made no difference to the bulls. His name in the light of Hillsdown's growth from almost nothing to a group with a £1bn turnover in five years, was more than enough.

The buy-in was achieved via a two-for-one rights issue under which the four founders agreed not to take up their entitlements. In all, the rights raised £7.8m and Glentree is now plotting ways of spending it.

One acquisition, a Hampstead-based estate agency called Goldschmidt Howland Cassells, followed less than two weeks after the Thompson stake was announced but had been planned before his intervention. Sights are now set on a move into financial services, particularly property-related areas like mortgage broking.

At the moment, it is all hopes and expectations. The historic p/e, based on last year's pre-tax profits of £190,000, is a little less than 200. But one thing is certain. Given the records of the various participants, deals of one sort or another are likely to flow thick and fast. Whether the resultant group is built on rock or on sand may take longer to become clear.

Westwood Dawes postpones egm

BY STEVEN BUTLER

Westwood Dawes, the troubled mechanical handling engineer, yesterday adjourned for one week an extraordinary general meeting of shareholders, following a shareholders' revolt last week against a restructuring proposal that would have sharply diluted the original shares of the company.

Mr Dan Slabbert, managing director, said yesterday, however, that agreement among major shareholders on a revised proposal has been reached and shareholder approval was anticipated on June 17.

The proposal involves the acquisition of Hugh J. O'Neill, the Canadian engineering parts supplier that is a subsidiary of Mining and Allied Investment, the Jersey-based group that owns 29 per cent of Westwood Dawes. Mr Slabbert is a director of Mining and Allied, and chairman of Hugh J. O'Neill. The proposed takeover had obtained a "whitewash" approval from the Takeover Panel.

The Westwood Dawes management had proposed to pay for the acquisition by the issue of 7m new ordinary shares of Westwood Dawes to Mining and Allied, valued at 20p per share. A one-for-two rights issue of 2.86m shares was simultaneously to have been offered to shareholders at 20p per share.

Imperial Pension Trust, along with other shareholders holding a total of about 20 per cent of Westwood Dawes share capital, objected to the dilution of shares at the annual general meeting on June 1. Agreement was eventually reached to offer Westwood Dawes shareholders slightly more than half the new 7m shares to have been issued to Mining and Allied. Westwood shares were suspended at 46p on April 6.

The name of the company under the proposal is to be changed to Mining and Allied Supplies, with Westwood Dawes and Hugh J. O'Neill as wholly-owned subsidiaries.

Mr Slabbert said that the revised proposals were actually more favourable for Mining and Allied shareholders, since they will now be receiving cash.

Yesterday's meeting was postponed in order to give shareholders more time to consider the revised proposal.

GrandMet disposes of its North Sea oil interests

BY LUCY KELLAWAY

Grand Metropolitan yesterday announced that it had sold all its North Sea oil interests as part of its policy to dispose of its non-core businesses.

Dyas, a subsidiary of SHV, the privately-owned Dutch company, has paid $4.1m (£2.5m) for the interests. During the past year Dyas, along with other larger European companies, has been building up its presence in the North Sea. Last year, it bought the oil interests of British Columbia Resources, the Canadian resources company ofr $125m.

The four interests changing hands are in blocks 12/4a, 16/12a, 98/16 and 211/8a, which were acquired by Grand Metropolitan over the past six years.

The sale comes just one day after the announcement of a successful well on blocks 211/8a. Placid Oil, operator of the block, reported high flow rates from the well, but said that further work would be needed to establish whether or not the find was commercial.

MOSS ADVERTISING Group (USM-quoter regional advertising agency): Interim dividend 1p (same) for six months ended February 1987. Pre-tax profits £12,000 (£4,000) after exceptional costs of £33,000 (£3,000) relating to reorganisation. Turnover £4.21m (£4.25m). Tax credit £6,00 0(£9,000). Earnings per 5p share 0.47p (0.42p). Moss has acquired Murray Maltby Walker West Advertising for an initial £900,000, satisfied by 1.3m Moss shares.

SANDELL PERKINS has acquired for £1.65m including mentary businesses in east London and Essex. The companies acquired are D. L. Knight and Son of Walthamstow and Purfleet; Devonsh and Co at Romford; trading assets and premises from Mayfield Timber, South Ockenden; and Braintree Building Supplies at Braintree.

Welpac rises to £0.46m

Welpac, wholesaler of hardware, DIY products and electrical goods, reported pre-tax profits 30 per cent higher for the year to the end of January 1987 at £463,000, against £355,000. The result was achieved on turnover up from £5.02m to £5.87m.

Earnings per 7p share for this USM-quoted company came out at 1.6p (1.17p), and a single final dividend of 0.35p (0.3p) is proposed.

Since the year end, the acquisition of Shawe Group had been completed for £1m, satisfied by the issue of shares. The group makes lighting equipment and Welpac directors said that its results for the year to January 31 1987 were excellent.

In the present year both subsidiaries were said to be trading satisfactorily, and the directors said that they were confident that a reasonable level of growth could be maintained.

Fleming Far Eastern tax query

BY PHILIP COGGAN

Fleming Far Eastern Investment Trust is in dispute with the Inland Revenue over a £1.2m tax bill, resulting from currency transactions.

The trust hedged its foreign currency exposure in the forward market but the Revenue is insisting that the profits made on the hedge be treated as income rather than capital gains, on which trusts have tax exemption.

If the assessment were to stand, the trust fears it might lose its status as an authorised investment trust, which would result in a further liability to tax of £6m, or 4p per share compared with the net asset value of 205p per share. It plans to resist the assessment "vigorously."

The directors intend to delay the posing of the report and accounts and to postpone the annual general meeting. An interim dividend of 0.6p will be paid in lieu of the final dividend.

UK COMPANY NEWS

Hazlewood Foods £53m rights to fund expansion

BY PHILIP COGGAN

Hazlewood Foods, the acquisitive food manufacturing group, yesterday launched a one-for-six rights issue to raise just under £53m to fund its expansion.

The company has made 20 acquisitions in the past year as it has expanded in a variety of food sectors, including salad produce, snacks and frozen foods. Although each purchase has been fairly small, the consideration has normally been in the form of a combination of shares and cash and the result is that Hazlewood's borrowings have increased to £32.8m, a gearing level of 53 per cent.

Mr Dennis Jones, Hazlewood's finance director said yesterday that the company "had no major deals in the pipeline." After the rights, the group would have a net cash position of around £15m and would be able to continue its policy of small acquisitions.

Yesterday's rights offer investors just over 25.9m shares at 210p, a 17.3 per cent discount to Tuesday's closing price of 254p. The shares closed 8p lower yesterday at 246p.

Hazlewood last made a rights issue in 1985, when it raised £20m via a deeply-discounted one-for-one issue. Unlike the previous offer, this deal is being underwritten — by stockbroker Lawrence Prust.

On Monday the group announced a 68 per cent pretax profits increase to £18.65m in the year ended March 31 and a 32 per cent increase in earnings per share. It was the fifth successive year in which Hazlewood had produced over 30 per cent growth in earnings per share.

● comment

Bringing out a rights issue on the day before an election requires a certain amount of confidence but Hazlewood's earnings per share record allows it to be more cocky than most. Eliminating the 53 per cent gearing level is a plausible justification for the issue; interest savings on the proceeds should prevent any dilution and shareholders will be happier to receive all their shares in a lump, rather than in the dribble of vendor placings that have accompanied Hazlewood's frequent acquisitions. Investors should take up their rights—even if the Tories lose the election, Hazlewood's long term prospects are good.

Electra asset value up 34.6%

Electra Investment Trust, which lays particular emphasis on investments in the unlisted sector, reported a basic net asset value of 264.36p per 25p ordinary as at March 31 1987, an increase of 34.6 per cent on a year earlier. Fully diluted, the improvement was 30.7 per cent to 247.35p.

Mr Michael Stoddart, the chairman, said that the results reflected a very satisfactory out-performance of the FT Actuaries All Share Index, despite its recent strength. The company's concentration in the unlisted securities sector normally results in its under-performing quoted indices during strong bull markets.

The results for the year had been achieved by some substantial realised and unrealised gains in unlisted holdings but also by the company being particularly well positioned in the listed markets to take advantage of their strength in the latter half of the period.

Several unlisted investments achieved quotations in the earlier part of the period and performed extremely well thereafter.

Management of the listed portfolio generally was also very successful and that trend had continued. At May 31 1987 fully diluted net asset value per share had risen to 256.36p—taking listed investments at their market on that date and including unlisted portfolio on the same basis as at March 31 1987.

Total income for the year rose from £17.93m to £20.43m: expenses amounted to £3.86m (£3.14m) and interest payable was £4.51m (£4.64m). Pre-tax profits emerged at £12.06m (£10.15m) leaving attributable profits of £7.95m (£6.84m) after tax of £4.1m (£3.3m).

Earnings per share worked through at 5.319p (4.595p) for the dividend which is increased from 4.1p to 4.4p with a second interim of 2.4p (final of 2.3p).

Property sales boost Caffyns to £2m

Boosted by property sale profits Caffyns, vehicle distributor, reported almost trebled pre-tax profits for the year to the end of March 1987.

On turnover up by 2.5 per cent to £110.64m (£107.91m) trading profit came out at £1.96m (£1.71m). But after exceptional credits of £1.2m (£482,000), being the profit on the sale of two properties less the loss on the sale of a third, operating profit rose to £3.16m (£2.2m).

Interest charges were lower at £1.25m (£1.56m) to give pre-tax profits of £1.91m, against £638,000 last time.

Earnings per 50p share came out at 43.6p (13.4p) and the directors are proposing a final payment of 4.3p (3.3p) to give a total for the year of 7.5p, against 5.5p last time.

Since the end of the year two new branches have been opened and next month new premises for Mercedes Benz are being opened in Dorchester.

Earlier this month the company announced that a subsidiary had opened the first of a possible chain of high street shops leasing cars to private customers as well as to business users.

NEWMAN TONKS GROUP: Company has disposed of J. S. Wright, its wholly-owned subsidiary, to three senior executives of the company for £600,000. J. S. Wright is a domestic, industrial and commercial plumber which made a loss in the year to October 31, the company said.

Warner Howard's SE listing values it at nearly £30m

BY ALICE RAWSTHORN

Warner Howard Group, an equipment supplier, is the latest company to jump on the new issues bandwagon by staging a placing on the main stock market, which will value its business at £29.98m.

The group was formed in 1960 as Coinamatic, a supplier of commercial laundry systems, which was the subsidiary of a Canadian concern. In 1980, the British management team mounted a buy-out and in the following year the company acquired Warner Howard, a distributor of warm-air hand-dryers. Last year it changed its name to the Warner Howard Group.

The company is now involved in the rental and sale of both laundry systems and hand-dryers, and has also diversified into commercial ice-making machines.

Mr Ernie Hazell, managing director, said yesterday that the group had decided to go public in order to raise its market profile and to facilitate acquisitions.

Both pre-tax profits and turnover have risen steadily in the last five years to £2.45m and £12.24m respectively, with earnings per share of 7.65p, in the year to February 28.

In the placing, through Hambros Bank, Warner Howard will issue 5.76m shares, or 25 per cent of its equity at 130p a share. This puts the shares on an historic p/e of 17.

Most of the money raised by the placing will be retained by the vendors. The principal individual vendor is Mr Robin Phillips, deputy chairman and architect of the management buy-out, who will raise £3.2m.

The company will receive around £575,000 from the placing, and the money will be used to fund working capital.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims: Australia Investment Trust, FR, Flexello Castors and Wheels, Sidlaw, Westland.

Finals: Amber Industrial, Beecham, Caledonia Investments, Chancery Securities, J. Hewitt (Fenton), Sterling Industries.

FUTURE DATES

Interims—

Associated Newspapers	July 9
City Site Estates	June 15
Horne (Robert)	June 18
London Scottish Finance	June 17

Finals—

Aitken Hume	June 15
Booth Industries	June 24
Cable and Wireless	June 24
Centrovincial Estates	June 16
GEI International	June 23
Gilbert House Investments	June 16
Sandell Perkins	July 9
Sterling Publishing	June 15
Unilock	June 18

COMMODITIES AND AGRICULTURE

Fox brushes aside the old LCE image

BY DAVID BLACKWELL IN NEW YORK

THE LONDON Commodity Exchange disappeared yesterday, blown away by thunderflashes and blasts of rock music which shattered the peace of St Katharine Docks.

As the smoke from "the largest string of firecrackers ever to be imported into Britain" cleared away, a large black fox could be seen mounted on the side of Commodity Quay—the new headquarters of the exchange.

City whizz kids will immediately unravel the mystery of the latest acronym to hit the markets. But the world's press, plied with champagne, dazed by the noise of the "Big Bangs" and confused by a sudden shower of toy paratroops descending on the dock, were not so quick.

"Why a raccoon?" someone asked.

Another fusillade of rockets released even bigger parachutes carrying 5 ft square flags bearing a russet red fox and the words THE LONDON FOX—fox being shorthand for Futures and Options Exchange.

LONDON FOX

The Futures & Options Exchange

Launching the new name and symbol, Mr Saxon Tate, chairman of the exchange, said: "We have adopted the name London Futures and Options Exchange because it describes accurately the business of the exchange . . . and maintains and strengthens our London association.

"At the same time the initials of the new name translate naturally into a dynamic visual image . . . a bold, fast moving, lively animal . . . the very spirit of our new organisation."

The US-style razzamatazz of the launch is part of the exchange's continuing drive to win market share in the face of competition from the powerful US exchanges and the highly successful London International Financial Futures Exchange.

It remains to be seen whether the image of crafty, cunning Reynard quite fits the bill in the business world.

Troubled waters for EC oils tax

BY TIM DICKSON IN BRUSSELS

HAD IT tried the European Commission could hardly have offended more vested interests than it has done with its controversial proposal for a new tax on vegetable and marine oils.

The US is seriously threatening a new trade war; Britain and West Germany, two of the most powerful member states in the Community, are both frantically attempting to block the idea (in the current farm price negotiations, to be resumed next week); the ACP countries of Africa, the Caribbean and the Pacific have accused the EC of breaking a pledge to halt protectionism during the current Gatt round, while consumer groups and the European food industry have delivered suitably sour responses—typified by a lengthy joint submission from Britain's Cake and Biscuit and Confectionary Alliances.

In the face of such fierce opposition, why bother?

The answer is that because of generous subsidy payments introduced in the early 1970s, EC production of oilseed olive, rapeseed, sunflower and soya) has rocketed over the last decade and presented the Community with yet another major financial headache. Rapeseed production has more than tripled from 1.1m tonnes in 1977 to 3.7m tonnes last year, while sunflower is up from 620,000 tonnes to 3.19m tonnes and soyabeans from 20,000 to 830,000 tonnes over the same period. According to the Commission the problem is exacterbated by the lack of protection at the frontier and the downward trend in world prices—EC "deficiency payments" to farmers reflect the difference between this market price and a fixed "target" price—and by the enlargement of the Community at the beginning of 1986 to include Spain and Portugal.

Expenditure on the oilseeds sector currently costs the Community about 4.5bn European currency units a year, but when these two major olive oil producing Mediterranean states are fully integrated into the regime in 1991 that figure is expected to jump to around Ecu 6bn.

In a very real sense the bitter row over the oils and fats tax this year stems from the postponement of decisions that should have been taken for the sector before enlargement (and which the Commission argues were taken in relation to the wine and fruit and vegetable sectors at the Dublin summit in 1983 to head off the foreseeable financial problems in a Community of 12).

Details of the Commission's proposals—first announced with the annual farm price package in February and on the table for discussion again at next week's EC Farm Council in Luxembourg—have tended to be obscured by the often emotive arguments against the tax. Essentially they fall into two parts—the less publicised plans to control production by tightening up the disciplines of the oils and fats regime and the offending "stabilisation mechanism" (or tax) aimed at getting consumers to contribute to the costs.

The Commission's production control ambitions rest on three changes—a more restrictive price policy (cuts of 3 per cent and 5 per cent are proposed respectively for rapeseed and soya); new limits on intervention purchases; and a more effective system of "guarantee thresholds." At the moment total production figures for the Community are set each year with a view to reducing subsidies if farmers go over the limit—but only by a maximum of 5 per cent. Mr Frans Andriessen, the EC Farm Commissioner, wants to remove this constraint so that the penalties in future can actually bite.

The Commission recognises that these measures add up to a fairly bitter pill for farm Ministers in Italy, Spain, Greece and Portugal to swallow. That is why they say the second part of the package—the stabilisation mechanism—is a critical complement to the first.

The previous year's average ex-factory price of refined soya oil in the Community is compared with the average over the last five years (1981-85) and the difference either charged on all vegetable and marine oils if the market price is lower or paid as a consumption aid if it is higher (hence the "stabilisation" element). Of course, currently depressed world prices mean that the Commission is talking about a levy which is why the measure has been widely dubbed a "tax."

Attacks on the Commission's mechanism tend to be based on one or another of the following criticisms—that it will push up consumer prices (notably the cost of margarine); that it will discriminate against US soyabean exports to the EC and hurt oil producers in developing nations. ("It is an obvious case of 'taxation without representation' and would fall on some of the poorest countries in the world," says the World Development Movement); that it contravenes Gatt rules, that it will seriously antagonise the EC's trading partners; that the proceeds will be ploughed back into supporting European farmers to increase their production; and that it will distort competition within the EC between foodstuffs with vegetable fat and those with other fats like butter which would be outside the net of the tax.

The US is certainly the most powerful and vocal opponent of the Commission's plans and is currently drawing up a "hit list" of EC products which will be penalised if the tax is approved. American agriculture officials suggest that big price cuts are the only way to control EC output and point to the widening discrepancy between EC target prices and world market prices. "For sunflower seeds in 1986 these were $613 per tonne and an average $196 per tonne and for rapeseed $487 per tonne and an average $290 per tonne respectively," said a US official in Brussels. "This shows how far off base they are at present."

The Americans argue that their soyabean exports to the Community — worth $2bn — to US farmers in 1986 will eventually suffer as a result of the tax; and they are not impressed by EC efforts to control production. They claim that since the threshold system was introduced — in 1982 for rapeseed and 1984 for sunflower seed—Community output of these products has risen 36 per cent and 85 per cent respectively.

The Commission admits meanwhile that some food prices would go up, including a possible 10 per cent increase for margarine. The Brussels executive denies, however, that price relationships would change under the proposed flat rate levy system and claims to be happy about defeating the Gatt arguments. It emphasises that the tax will be levied on domestically produced and imported oil and refutes criticism from developing countries on the grounds that EC production controls will safeguard their traditional markets.

Asked why butter is excluded an official said: "We feel that the consumer already pays for this through the import levy system and intervention expenditure. With 1.2m to 1.3m tonnes still in store it would be extremely difficult to impose a new levy."

A queston often discussed in Brussels is whether the Commission is simply "trying it on" to highlight the mounting financial burden of the Common Agricultural Policy (CAP). There is certainly a strong element of that but as one Commission official put it recently, "Mr Andriessen is defending the proposal staunchly as though he really does believe in it."

With cheaper oil plentiful in the outside world, price cuts may be the sensible economic solution but the view in Brussels is "try telling this to 2m 'Mediterranean' farmers whose livelihood is dependent on olive oil alone." It is also felt that this issue is a major test for Commission President Mr Jacques Delors' policy of greater "cohesion" — essentially allocating resources to the peripheral and poorer member states of the Community to enable them to catch up.

The smart money, for the moment at elast, is on the Commission sticking to its guns. It is also a fair bet, however, that a blocking minority of Farm Ministers will ensure that the issue goes to the EC summit at the end of the month.

Tomorrow Richard Gourlay reports on the threat the oils and fats tax poses to the Philippines' coconut industry.

DENMARK, the country next in line to take over the presidency of the EC Council of Ministers, will not drop its opposition to the European Commission's plan for a tax on oils and fats, writes Quentin Peel in Copenhagen.

Mr Uffe Ellemann-Jensen (right), the Danish Foreign Minister, yesterday denied reports that his Government's position was softening in exchange for exclusion of fish oil from the tax.

"We are not going to be bought," he said. "Our opposition is very clear: we don't want an oils and fats tax. We don't want a trade war with the Americans."

Malaysian Minister aims to drum up opposition

BY WONG SULONG IN KUALA LUMPUR

DR KIM LENG YAIK, the Malaysian Minister of Primary Industries, begins a month-long tour of Europe, the US and Brazil this Saturday to lobby for support on several commodity issues vital to Southeast Asian producers.

In Europe, he will be visiting Rome, Brussels and London, to express the strong opposition of Southeast Asian palm oil growers to the proposed consumption tax on imported edible oils by the European Community.

If adopted, the levy, which is higher than the current price of palm oil, would be a major blow to Southeast Asian producers who export 300,000 tonnes of palm oil to the EC a year.

In the US the Malaysian minister will meet American Government officials, representatives of the edible oil industry and the press to counter a move to get congress approve a bill requiring labels on food containing tropical fats.

Malaysia sees the move as part of the powerful American soyabean lobby's campaign to depict palm oil as bad for health because of its supposedly high cholestrol content, something which palm oil growers strongly deny.

The proposed EC levy and US labels issue are seen by Southeast Asian farmers as protectionist moves. The Far East palm oil growers claim their industry is the most cost-efficient compared with other edible oils and fats because of all-year round sunshine. The industry hardly gets any government subsidy, compared with their rivals in the western countries.

Although Europe and the US are no longer the main markets for palm oil, Southeast Asian producers are anxious ot preserve these markets because of the huge volumes of palm oil expected in the coming years due to expanded acreages.

Dr Lim will also call on European and American officials to seek early ratification of the second international natural rubber agreement. The first Inra expires in October.

The Minister will also seek US and Brazilian co-operation on tin. The seven nation association of tin producing countries had, since last March, implemented an export control plan to limit their exports to 96,000 tonnes over 12 months.

The ATPC members want the US to co-operate by restricting its sale of stockpiled tin, and for Brazil to restrain its exports, estimated at 18,000 tonnes last year.

Rubber growers enjoy price resurgence

BY WONG SULONG IN KUALA LUMPUR

SOUTHEAST ASIAN rubber growers are enjoying a quiet mini-boom as rubber prices inch their way steadily to a three-year high.

Prices of RSS No 1, the hedging grade on the Kuala Lumpur commodities exchange, have been particularly bullish with supplies remaining tight.

RSS No 1 prices, which averaged 224 Malaysian cents a kilo in 1984, fell to 188.7 cents in 1985 and climbed up again to 208 cents last year. Since the start of the year, it has been firmly up strongly, and has breached the 240 cent mark.

However, the Malaysian Rubber Exchange and licensing board, in its latest monthly market review, said "there is a thin air of uncertainties beyond July" as the plantations recover from the low production level of wintering and the start of the summer holidays in the industrialised countries.

The International Natural Rubber Organisation five-day moving average, comprising a composite of various rubber grades, has moved up from 195.9 Malaysian/Singapore cents a kilo at the start of the year to 210.9 cents this week. It is no wcloser to the "may sell" level of 232 cents, rather than the "may buy" level of 171 cents.

Demand for rubber lates has been particularly buoyant due to the fears of the Aids disease, which has led to an upsurge in the usage of condoms and surgical gloves. Lates is fetching premiums of between 70 and 80 cents Malaysian over Rss No 1.

"We can no longer talk about poor commodity prices" says Datuk Paul Leong, former Malaysian minister of primary industries. "I fact, in the case of rubber, we are experiencing a small boom. Rubber companies should be reporting excellent profits, while smallholders are enjoying incomes."

For Indonesia and Thai farmers, whose production costs are about 20 per cent lower than their Malaysian counterparts, the firm prices should stimulate higher output.

The tightness of the supply for rss one is due to Malaysian smallholders, facing labour shortages, turning to production of cup lumps and scrap rubber, which are raw materials for SMR grades, instead of unsmoked sheets used for RSS grades.

The bufferstock manager, in his report to the Inro council last month, noted that the natural rubber market appeared to be structurally sound, with supply and demand holding in close balance.

He reckoned prices would continue to hold near current levels, over the near term, with some possible improvements in the last quarter of the year.

News that the BSM has been authorised to sell a monthyl 2,000 tonnes from his 370,000 tonne stockpile for funds to cover servicing and maintenance of the stockpile during the interim period between the first rubber agreement and the second agreement, had a slight dampening impact on the market.

LONDON MARKETS

LEAD PRICES staged a strong rally on the London Metal Exchange yesterday as trade buying triggered short-covering following Tuesday's £11 fall, which many traders thought was overdone. By the close cash lead stood at £389 a tonne, up £11 on the day. Dealers said that although recent extreme supply tightness has eased following the arrival of metal in LME warehouses during the past two weeks stocks in Europe and North America remained low. The continuing strike at Cominco's Trail / Kimberly operation in British Columbia and the approach of labour contract talks at Noranda also tended to support the market, they added. Cocoa prices rallied yesterday afternoon after touching fresh 4-year lows at one point. The September futures position, which had dipped to £1,214 a tonne, ended the day £6 up on balance at £1,225.50 a tonne. Dealers said the rally was encouraged by further purchases by the International Cocoa Organisation's buffer stock manager, currency-based covering ahead of today's UK election, and the possibility of a positive outcome to current cocoa pact talks on back-up arrangements for price support.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

99.7% purity	Unofficial close (p.m.) $ per tonne	+ or −	High / Low
Cash	—	—	—
3 months	1577-9	+10	1583/1579

Official closing (am): Cash ——— (———), three months 1,582-4 (1,571-5). settlement ——— (———). Final Kerb close: Unquoted. Turnover: 2,900 tonnes.

ALUMINIUM 99.7 PER CENT

99.5% purity	£ per tonne		
Cash	896-7	−1.5	897.5
3 months	883-5.5	+3.75	886/882

ALUMINIUM 99.5 PER CENT

Official closing (am): Cash 897-7.5 (902-3). three months 882-3 (887-8). settlement 897.5 (903). Final Kerb close: 883-4. Turnover: 11,675 tonnes.

COPPER

Grade A	Unoffic'l close £ per tonne	+ or −	High/Low
Cash	954-6	+3.5	955/954
3 months	933-4	+4	935/930

Official closing (am): Cash 955-5.5 (955.5-6), three months 932-3 (936-6.5), settlement 955.5 (956). Final Kerb close: 932-3.

Standard			
Cash	930-2	+10	951/929
3 months	905-6	+0.5	—

Official closing (am): Cash 930-1 (924-6), three months 905-8 (912-4), settlement 931 (926). US Producer prices 73-77 cents a pound. Total Turnover: 42,050 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	88-90	+17	388/385
3 months	359-60	+6.25	369/363

Official closing (am): Cash 388-9 (368-9), three months 358-3 (248-9). settlement 389 (369). Final Kerb close: 358.5-9. Turnover: 11,350 tonnes. US Spot: 24-37 cents a pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	2670-5	+40	2690
3 months	2701-5	+34	2725/2650

Official closing (am): Cash 2,645-55 (2,643-7), three months 2,675-80 (2,680-5). settlement 2,655 (2,647). Final Kerb close: 2,720-30. Turnover: 1,206 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	551-2	—	—
3 months	529-730	+2.25	536.5/529

Official closing (am): Cash 551-3 (547-8), three months 530-1 (527-8), settlement 553 (548). Final Kerb close: 529-30. Turnover: 12,675 tonnes. US Prime Western: 45-45.75 cents a pound.

TIN

KUALA LUMPUR TIN MARKET—Close: 16.57 (16.55) ringgit per kg. Up 0.02.

LONDON METAL EXCHANGE TRADED OPTIONS

	Strike Price $/tonne	Calls Nov.		Puts Nov.	
Aluminium 99.7%	—	—		—	
	—	—		—	
	—	—		—	
		July	Sept.	July	Sept.
Aluminium 99.5%	1,475	—	—	24½	60
	1,500	34	34	36	75
	1,525	22	25½	—	—
Copper (Grade A)	1,525	—	—	16½	35
	1,550	40½	48½	26	47
	1,575	27½	32	—	—
	£/tonne				
Copper (Grade A)	925	—	—	12	24
	950	16	19½	25½	37½
	975	6	12	—	—

Estimates.

GOLD

GOLD BULLION (fine ounce)		June 10
Close	$455½-456	(£274½-275)
Opening	$457¼-457¾	(£274¾-275¼)
M'n'g fix	$456.65	(£274.216)
Aft'n'n fix	$462.65	(£273.360)
Day's high	$459½-460	—
Day's low	$454-454½	—

GOLD AND PLATINUM COINS		
Am Eagle	$466-473	(£282½-286½)
Mapleleaf	$469-472	(£283-284¾)
Kr'g'r'nd	$455-458	(£274½-276½)
½ Krug	$238½-239½	(£144-144½)
¼ Krug	$119¾-120¾	(£72¼-73¼)
Angel	$476-470	(£281¾-283¾)
1/10 Angel	$45¼-50¼	(£27¼-30¼)
New Sov	$107½-108½	(£64-¾65½)
Old Sov	$107½-109	(£64¾-65¾)
Noble Plat	$602-612	(£366¼-369¼)

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 97.49p per kg lw (−0.28). GB—Sheep 230.00p per kg est dcw (+14.12). GB—Pigs 80.04p per kg lw (−0.95). GB—KAPP 102.08p per kg dw (+1.14).

FUTURES—Pigs: Aug 97.00. Sales: 4.

INDICES

REUTERS

June 10	June 9	M'th ago	Yearago
1602.0	1603.3	1616.4	1597.8

(Base: September 18 1931=100)

DOW JONES

Dow Jones	June 9	June 8	M'th ago	Year ago
Spot	129.26	128.50	—	125.51
Fut	126.98	126.04	—	114.53

(Base: December 31 1931=100)

MAIN PRICE CHANGES

	June 10 1987	+ or −	Month ago
METALS			
Aluminium			
Free Market	$1605/625	+5	$1589/580
Copper			
Cash Grade A	£955	+3.5	£917
3 months	£933.5	+4	£895.5
Gold Troy oz	$465.75	+2.5	$461.25
Lead Cash	£389	+17	£415.5
3 months	£359.5	+6.25	£366.75
Nickel			
Free Mkt.	200/220c	+2	209/229c
Palladium oz	$142.00	+3	$149.00
Platinum oz	$579.25	+3.25	$614.50
Quicksilver†	$260/270	+5	$270/280
Silver troy oz	475.25p	+7.55	521.45p
3 months	485.70p	+7.90	532.70p
Tin			
free Mkt.	$4090/120	−20	£4155/155
Tungsten	$56.16		$46.93
Wolfram 22.0lb	$48/55		$50/55
Zinc	£551.5	+7	£514
3 months	£529.5	+2.25	£511.75
producers	$830		$790/840
OILS			
Coconut (Phil)	$435z	+10	$420
Palm Malayan	$330v		$350
Seeds			
Copra (Phil)	$285y		$285
Soyabean (U.S.)	$152.5	−1.5	$151
GRAINS			
Barley Fut. Sept	£97.10	−0.50	£98.60
Maize	£153.00	+1	£148.00
Wheat Fut. Sept	£99.60	−0.55	£122.45
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Sept	£1225.5	+6	£1293
Coffee Ft. Sept	£1303	−2.5	£1356.5
Cotton A Ind.*	79.35c	−0.15	75.35c
Gas Oil July	$156.5	−0.25	$154.75
Rubber (kilo)	68.75p	−0.75	61.5p
Sugar (raw)	$168.4z	+0.4	$178
Wooltops 64s	487p kilo	−2	481p kilo

‡ Unquoted. † Per 75-lb flask. c Cents a pound. * Cotton outlook. v July. z June/July. x July/Aug. y Aug.

SILVER

Silver was fixed 7.55p an ounce higher for spot delivery in the London bullion market yesterday at 475.25p. US cent equivalents of the fixing levels were: Spot 793c, up 21.5c; three-month 807.7c, up 22.3c; six-month 822.35c, up 22.8c; and 12-month 853.65c, up 23c. The metal opened at 477-481p (794-798c) and closed at 472-476p (784-789c).

SILVER per troy oz	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	475.25p	+7.55	467p	+5
3 months	485.70p	+7.90	477p	+8
6 months	495.20p	+8.05	—	—
12 months	514.60p	+7.75	—	—

LME—Turnover: Nil (nil) lots of 10,000 ounces.

Three months final kerb: 475-80p.

COFFEE

In light volume Robustas continued to trade on the defensive, reports Drexel Burnham Lambert. Struggling to maintain levels, the market had to contend with further speculative short selling. Trade support in the presence of price-fixing prohibited any major decline.

COFFEE	Yesterday close	+ or −	Business done
July	1255-1268	−2.0	1295-1272
Sept.	1302-1304	−2.5	1311-1290
Nov.	1324-1325	−3.5	1331-1310
Jan	1343-1344	−9.5	1350-1330
Mar.	1360-1365	−10.0	1370-1352
May	1380-1395	−7.5	1378
July	1390-1430	−7.5	—

Sales: 3,614 (3,643) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for June 9: Comp. daily 1979 104.90 (104.65); 15-day average 108.83 (109.41).

COCOA

Futures eased initially but rallied to close at the highs. Cocoa buffer stock buying of a further 5,000 tonnes was reported but apart from light producer offerings of products physicals remained quiet, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or −	Business done
July	1250-1252	+17.0	1254-1226
Sept.	1225-1226	+6.0	1227-1214
Dec.	1250-1251	+7.0	1253-1240
March	1275-1276	+6.5	1277-1268
May	1293-1294	+4.0	1297-1285
July	1312-1315	+4.5	1314-1307
Sept.	1330-1335	+3.5	1328-1326

Sales: 4,564 (4,648) lots of 10 tonnes.

ICCO indicator prices (SDRs per tonne). Daily price for June 10: 1,515.06 (1,511.23); 10-day average for June 11: 1,524.17 (1,526.31).

FREIGHT FUTURES

The market opened on a firm note and traded at the high almost immediately. Levels held near the highs during the morning. However, a 5-point drop in the BFI sparked a round of selling which pushed the market down to the lows but some technical support was apparent, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
July	870/875	900/865	879
Oct.	937/940	970/930	960
Jan.	950	950	970
Apr.	990/1000	1000	1006
July	850/885	—	—
Oct.	870	—	—
Jan.	960	—	—
April	1040	—	—
BFI.	960.5	—	965.5

Turnover: 493 (239).

GRAINS

Old crops drifted on shipper long liquidation, while new crops reversed the previous day's trend to close just off the lows after heavy trade selling, reports T. G. Roddick.

Mnth	WHEAT Yest'rdy's close	+ or −	BARLEY Yest'rdy's close	+ or −
July	117.70	−0.20	—	—
Sep.	99.60	−0.55	97.10	−0.88
Nov.	102.00	−0.65	99.55	−0.60
Jan.	104.65	−0.69	101.90	−0.85
Mar.	107.00	−0.70	104.05	−0.75
May	109.80	−0.80	106.20	−0.75
July	111.85	−0.80	—	—

Business done—Wheat: July 117.90-7.70, Sept 99.90-9.60, Nov 102.40-2.00, Jan 105.00-4.65, March 107.45-7.00, May 110.40-9.80, July untraded. Sales: 288 lots of 100 tonnes. Barley: Sept 97.50-7.10, Nov 100.05-99.40, Jan 102.45-1.85, March untraded, May 106.25. Sales: 70 lots of 100 tonnes.

LONDON GRAINS—Wheat: US Hard Winter, 13½ per cent: July 90.75, Aug 90.50, Sept 91.00. US No 2 Soft Red Winter: July 84.25, Aug 85.50, Sept 86.75. French 11½-12 per cent: June 143.00. English feed, fob: June 119.75-120.50, Sept 102.50-103.00, Oct/Dec 105.50-106.00, Jan/March 109.50-110.25 buyer/sellers. Maize: US No 3 Yellow/French, transhipment East Coast: Spot 153.00. Barley: English feed, fob: Aug 100.00, Sept 101.00 seller, Oct/Dec 104.00, Jan/March 108.00 buyers.

HGCA — Locational ex-farm spot prices. Feed barley: N. East 105.70. The UK monetary coefficient for the week beginning Monday June 15 (based on HGCA calculations using four days' exchange rates) is expected to remain unchanged.

POTATOES

The market opened £1.20 down which proved to be the low of the day. Keen buying around this level in thin volume held values steady with prices moving up late in the afternoon to close on a steady note, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov	90.80	90.40	91.00
Feb.	99.00	99.00	—
Apr.	130.70	129.50	130.80-128.00
May	148.00	144.00	—

Sales: 38 (338) lots of 40 tonnes.

OIL

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—July		
Arab Light	—	—
Arab Heavy	—	—
Dubai	17.20-17.25	−0.025
Brent Blend	18.75-18.80	+0.05
W.T.I. (1pm est)	19.80-19.85	−0.05
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	199-202	—
Gas Oil	153-155	−1
Heavy fuel Oil	107-109	+1
Naphtha	171-173	—

SOYABEAN MEAL

Prices eased on light commercial selling against scale-down professional buying. Nearby positions continued to hold steady although option hedge selling was still evident, reports Muirpace.

	Yesterd'ys close £ per tonne	+ or −	Business done
June	—	—	—
August	130.5-130.8	—	130.5-130.8
October	130.5-131.0	+0.20	130.5
Dec.	130.4-131.0	+0.50	130.5
Feb.	133.5-135.0	—	—
April	134.0-136.5	−0.25	—
June	134.0-138.0	−0.25	—

Sales: 221 (95) lots of 20 tonnes.

US MARKETS

PRECIOUS METALS made the day's highs in early trading but in the silver failure to break resistance led to a marked sell-off which was accelerated by fund and trade selling, reports Drexel Burnham Lambert. Later, prices recovered on mixed short-covering as the market closed with pared losses. Gold and platinum both followed the silver. The weakness in the markets was partly attributed to a bearish interpretation of the Venice summit. Copper futures also sold off following fund selling which touched off stops. Energy futures continued to trade narrowly and trade support was again noted. Cotton futures weakened under a combination of trade and commission house selling which touched off stops. Coffee futures were held in a narrow range by underlying trade price-fix buying and physical offerings. Sugar eased as traders liquidated July positions, but trade support, especially in October, held the decline. The grains were choppy. Wheat futures found support from rains in the harvesting areas, maize eased as a result of weaker cash prices, soyabean futures were mixed, soyabean oil was under pressure following the release of USDA stock figures and soyabeanmeal rallied on reports of Soviet interest in South American meal.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	Prev	High	Low
June	74.05	73.80	—	—
July	72.25	72.00	72.25	72.00
August	70.65	70.40	—	—
Sept	70.00	69.75	70.00	69.95
Dec	69.35	69.10	69.05	69.05
Jan	69.35	69.10	—	—
March	69.35	69.10	—	—
May	69.35	69.10	—	—

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
July	1858	1866	1870	1850
Sept	1894	1891	1904	1883
Dec	1922	1920	1933	1914
March	1955	1949	1963	1955
May	1984	1976	1988	1985
July	2004	2005	—	—
Sept	2033	2034	—	—

COFFEE "C" 37,500 lb, cents/lb

	Close	Prev	High	Low
July	112.22	112.23	113.35	111.90
Sept	114.02	113.52	114.80	113.80
Dec	115.75	116.00	116.80	115.75
March	118.09	118.18	118.25	117.50
May	118.55	118.55	119.00	118.75
July	119.00	118.55	122.00	119.00
Sept	119.03	119.55	—	—

COPPER 25,000 lb, cents/lb

	Close	Prev	High	Low
June	69.65	70.10	69.65	69.65
July	69.65	70.10	70.45	69.30
August	68.85	69.30	—	—
Sept	68.45	68.60	69.00	68.05
Dec	67.75	68.40	68.70	67.30
Jan	67.65	68.30	—	—
March	67.45	68.15	67.90	67.40
May	67.55	68.25	68.00	67.50
July	67.60	68.30	68.60	67.60
Sept	67.65	68.35	—	—

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
July	72.40	72.70	73.50	72.15
Oct	69.22	69.70	70.32	69.20
Dec	69.42	69.00	69.70	68.35
March	69.20	69.70	70.30	69.20
May	69.47	70.00	70.75	70.00
July	69.75	70.10	70.00	70.00
Oct	66.00	66.39	66.69	66.00

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CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	Prev	High	Low
July	19.81	19.82	19.85	19.77
August	19.64	19.63	19.70	19.61
Sept	19.54	19.54	19.60	19.54
Oct	19.50	19.49	19.54	19.48
Nov	19.46	19.46	19.50	19.44
Dec	19.43	19.43	19.46	19.41
Jan	19.39	19.40	19.44	19.39
Feb	19.36	19.37	19.36	19.35
March	19.35	19.34	19.40	19.35
April	19.35	19.32	19.45	19.35

GOLD 100 troy oz, $/troy oz

	Close	Prev	High	Low
June	456.6	457.9	458.5	452.5
July	458.3	460.0	458.0	458.0
August	461.3	462.8	464.3	460.3
Oct	466.5	468.4	469.0	462.0
Dec	472.3	474.0	475.5	468.0
Feb	478.2	480.0	480.5	475.5
April	484.1	486.9	485.8	481.5
June	490.3	492.3	492.0	488.0
August	496.8	498.9	498.0	498.0
Oct	503.4	505.6	505.0	505.0
Dec	510.0	512.3	514.0	507.1
Feb	516.7	519.1	516.0	514.5

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	Prev	High	Low
July	52.05	51.88	52.30	51.85
August	52.86	52.53	52.90	52.55
Sept	53.45	53.30	53.65	53.30
Oct	54.25	54.05	54.40	54.10
Nov	55.00	54.80	55.10	55.00
Dec	55.75	55.50	55.85	55.70

ORANGE JUICE 15,000 lb, cents/lb

	Close	Prev	High	Low
July	132.10	132.20	132.10	131.60
Sept	127.00	127.35	127.10	126.50
Nov	123.75	123.95	123.80	123.50
Jan	122.60	123.25	122.60	122.50
March	122.80	123.40	122.75	122.75
May	122.95	123.55	—	—
July	122.95	123.55	—	—

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
June	581.7	580.4	—	—
July	583.7	582.4	587.5	572.0
Oct	582.0	590.7	596.5	580.0
Jan	599.2	597.9	603.5	588.0
April	606.4	605.1	610.0	598.0
July	613.7	612.4	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
June	784.5	787.7	783.0	768.0
July	787.6	791.0	805.0	771.3
August	792.4	796.0	785.0	785.0
Sept	797.9	801.6	816.0	782.0
Dec	813.9	817.8	832.0	797.0
Jan	819.0	823.0	—	—
March	830.1	834.2	831.0	828.0
May	841.5	845.8	—	—
July	853.4	857.8	857.0	857.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	Prev	High	Low
July	6.47	6.60	6.56	6.47
Sept	6.67	6.79	6.92	6.65
Oct	6.85	6.98	7.00	6.82
Jan	6.99	7.12	—	—
March	7.27	7.39	7.40	7.25
May	7.43	7.51	7.52	7.42
July	7.55	7.61	7.62	7.54
Oct	7.70	7.79	7.78	7.70

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	Prev	High	Low
June	68.80	68.30	69.20	68.50
August	63.05	63.05	63.50	62.95
Oct	61.50	61.50	61.82	61.35
Dec	63.12	62.87	63.35	62.90
Feb	63.35	63.17	63.65	63.20
April	64.00	63.82	64.00	63.85
June	63.52	63.30	63.65	63.30

LIVE HOGS 30,000 lb, cents/lb

	Close	Prev	High	Low
June	60.85	61.42	61.70	60.42
July	56.85	57.42	57.60	56.75
August	52.32	53.40	53.50	52.25
Oct	44.85	45.67	45.65	44.75
Dec	44.65	45.45	45.45	44.60
Feb	44.00	44.50	44.60	43.92
April	41.50	42.15	42.15	41.50
June	43.32	43.70	43.50	43.15
July	43.30	43.30	43.32	—

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	Prev	High	Low
July	186.0	187.6	187.0	184.6
Sept	188.0	190.6	189.4	187.2
Dec	193.0	194.6	194.2	191.4
March	201.0	203.2	202.2	199.6
May	204.4	207.0	206.2	203.4
July	206.2	208.6	207.4	205.4
Sept	205.0	208.0	—	—

PORK BELLIES 38,000 lb, cents/lb

	Close	Prev	High	Low
July	76.05	77.82	77.80	75.95
August	73.42	75.07	75.05	73.35
Feb	60.50	61.40	61.25	60.27
March	60.25	61.02	60.60	60.10
May	61.10	62.05	62.00	61.10

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	Prev	High	Low
July	560.2	557.6	561.0	554.4
August	563.4	561.6	564.4	557.6
Sept	563.0	561.0	563.6	564.4
Nov	569.6	566.4	571.4	559.0
Jan	578.6	575.6	580.0	568.0
March	588.0	584.0	588.0	577.4
May	593.4	590.4	595.0	585.4
July	594.0	591.0	—	—
August	591.0	588.0	—	—

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
July	177.3	173.8	177.5	172.2
August	174.3	171.1	174.4	170.3
Sept	173.7	171.0	174.0	169.0
Oct	173.2	170.7	173.5	169.0
Dec	176.2	173.2	176.9	171.0
Jan	176.5	175.0	176.5	172.5
March	178.0	177.0	179.0	173.0
May	177.0	177.0	177.0	177.0
July	178.0	178.0	178.0	178.0
August	178.2	178.0	178.0	178.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	Prev	High	Low
July	16.41	16.60	16.54	16.36
August	16.53	16.81	16.74	16.57
Sept	16.80	16.98	16.90	16.77
Oct	16.97	17.17	17.08	16.95
Dec	17.25	17.47	17.42	17.25
Jan	17.35	17.56	17.53	17.35
March	17.61	17.86	17.80	17.61
May	17.89	18.12	17.88	17.90
July	18.12	18.27	18.10	18.15

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	Prev	High	Low
July	266.2	264.2	267.4	262.4
Sept	271.4	269.6	273.4	269.2
Dec	279.6	276.6	280.4	276.2
March	280.0	279.0	282.0	278.0
May	275.4	274.0	278.0	274.4
July	266.4	268.0	268.4	265.0

SPOT PRICES: Chicago loose lard 14.50 (same) cents per pound. Handy and Harman silver bullion 777.0 (780.0) cents per troy ounce. New York tin 316-20 (315-18) cents per pound.

RUBBER

PHYSICALS—Closing prices (buyers): Spot 62.75p (same); July 62.75p (same); Aug 62.50p (same). Kuala Lumpur fob prices (Malaysian/Singapore cents) per kg: RSS No 1 243.0 (244.5); SMR 20 209.

SUGAR

LONDON DAILY PRICE—Raw sugar $168.40 (£101.20), up 40c (down 80p) a tonne for June-July delivery. White sugar $181.60, down $1.00.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Aug	145.6-148.8	146.20-146.8	149.0-145.6
Oct	153.6-155.8	155.40-156.6	156.4-155.0
Dec	157.2-158.2	159.60-159.8	—
Mar	162.6-163.4	164.80-164.6	165.2-163.0
May	166.8-166.2	167.80-168.2	167.8-166.2
Aug	169.2-170.4	170.00-171.4	—
Oct	171.0-172.8	173.20	172.8

Sales: 1,589 (959) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £205.50 (£206.00) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for June 9: Daily price 6.40 (6.40); 15-day average 6.51 (6.55).

PARIS—(FFr per tonne): Aug 1076-1102, Oct 1122-1128, Dec 1142-1150, March 1180-1187, May 1210-1225, Aug 1240-1250.

GAS OIL FUTURES

Month	Yest'rdy's close US$ per tonne	+ or −	Business done
June	155.25	−0.75	—
July	156.50	−0.25	157.25-56.25
Aug	158.75	—	159.80-58.25
Sept	161.00	—	161.25-60.75
Oct	163.25	+0.25	165.25-63.00
Nov	165.00	−0.75	—

Turnover: 3,502 (4,410) lots of 100 tonnes.

HEAVY FUEL OIL

Month	Yesterday close US $ per tonne	+ or −	Business done
June	104.75	—	107.00-4.75
July	—	—	—

Turnover: 14 lots of 100 tonnes.

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Pound slightly weaker

STERLING lost some of its sparkle towards the end of the day as last minute nerves came into play ahead of today's general election.

While confidence boosted demand for the pound earlier, dealers were aware of the authorities' reluctance to see sterling appreciate too much and a level of DM 3.00 against the D-Mark remained a tough nut to crack.

However the extent of pressure on the pound on Friday, assuming a comfortable win for the Conservative party, remained an unknown factor since profit taking may well offset renewed overseas demand.

The pound touched a best level of \$1.6690 against the dollar before finishing at \$1.6590, down from \$1.6615 on Tuesday. It managed a small improvement against the D-Mark to DM 2.98 from DM 2.9750 but was easier against the yen at Y236.25 from Y236.75. Elsewhere it rose to SFr 2.4650 from SFr 2.4625 and FFr 9.9625 compared with FFr 9.9475.

On Bank of England figures, the pound's exchange rate index touched a high of 73.5 before finishing at 73.2 down from 73.4 at the opening and 73.3 on Tuesday.

The dollar was slightly firmer, recovering from a weaker start. Traders had already adopted a philosophical attitude towards the Venice summit because there was nothing to suggest that the dollar would not maintain its overall bearish trend. Pledges of further economic co-operation between the G-7 nations failed to impress and there was a general feeling that action speaks louder than words.

The US trade deficit due for release tomorrow was expected to be little changed from March's figure of \$13.6bn. However this was still seen as excessive and there was a fear that the dollar would be allowed to depreciate further in order to accelerate the move towards a more competitive US export market.

The dollar rose to DM 1.7960 from DM 1.7905 against the D-Mark but was unchanged against the yen at Y142.45. Elsewhere it rose to SFr 1.4865 from SFr 1.4825 and FFr 6.0050 from FFr 5.9875. On Bank of England figures, the dollar's exchange rate index finished at 100.7 down from 101.0.

D-MARK — Trading range against the dollar in 1987 is 1.9385 to 1.7690. May average 1.7887. Exchange rate index 147.5 against 145.9 six months ago.

Trading was subdued in Frankfurt and the dollar slipped to DM 1.7877 at the fixing from DM 1.7993 on Tuesday. There was no intervention by the Bundesbank.

Attention remained focused on the release tomorrow of US trade figures for April. While a further large deficit was expected, dealers were uncertain how the US authorities would react and were wary ahead of any attempt to talk down the dollar once more.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 138.35. May average 140.55. Exchange rate index 223.0 against 207.5 six months ago.

Uncertainty over the outcome of the Venice summit and tomorrow's US trade figures left the dollar slightly weaker against the yen in Tokyo. It closed at Y142.00 down from Y142.15 in New York and Y142.70 in Tokyo on Tuesday.

Despite the apparent agreement between the G-7 nations on the need for more economic co-operation, the US unit remained depressed because in the short term there was no obvious incentive to change its predominantly bearish undertone.

Many traders suggested that initial reaction to tomorrow's trade figures was unlikely to push the dollar outside its recent trading range ahead of the weekend.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu June 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.0197	+1.32	+0.72	±1.5344
Danish Krone	7.85212	7.80308	−0.62	−1.22	±1.6404
German D-Mark	2.05853	2.07447	+0.77	+0.17	±1.0981
French Franc	6.90403	6.93717	+0.48	−0.12	±1.3674
Dutch Guilder	2.31943	2.33732	+0.77	+0.17	±1.5012
Irish Punt	0.768411	0.774087	+0.74	+0.14	±1.6684
Italian Lira	1483.58	1503.88	+1.37	+1.24	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

June 10	Latest	Previous Close
£ Spot	1.6520-1.6530	1.6655-1.6665
1 month	0.24-0.23 pm	0.25-0.23 pm
3 months	0.56-0.53 pm	0.57-0.55 pm
12 months	1.05-0.95 pm	1.15-1.10 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	June 10	Previous
8.30 am	73.4	72.8
9.00 am	73.5	72.8
10.00 am	73.4	72.8
11.00 am	73.4	73.0
Noon	73.5	73.0
1.00 pm	73.5	73.0
2.00 pm	73.3	73.2
3.00 pm	73.3	73.2
4.00 pm	73.2	73.3

CURRENCY RATES

June 10	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.78034	0.698237
U.S. Dollar	5.5	1.30164	1.16152
Canadian $	7.90	*	1.55562
Austrian Sch.	4	16.3746	14.5802
Belgian Franc	7¾	48.2518	43.0197
Danish Krone	7	8.76394	7.80308
Deutsche Mark	3.0	2.32694	2.07447
Neth. Guilder	4½	2.62085	2.33732
French Franc	9½	7.77860	6.95717
Italian Lira	11.5	1686.53	1503.88
Japanese Yen	2½	184.703	164.761
Norway Krone	8	8.68324	7.72119
Spanish Peseta	—	162.252	144.783
Swedish Krona	7½	8.13915	7.25368
Swiss Franc	3.5	1.92578	1.71208
Greek Drach.	20½	174.537	155.597
Irish Punt	—	N/A	0.774087

*C$/SDR rate for June 9: 1.73934

CURRENCY MOVEMENTS

June 10	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.2	−20.3
U.S. Dollar	100.7	−6.0
Canadian Dollar	76.9	−11.4
Austrian Schilling	138.7	+10.3
Belgian Franc	100.2	−4.5
Danish Krone	93.7	+3.4
Deutsche Mark	147.5	+21.8
Swiss Franc	174.0	+23.2
Guilder	135.6	+14.4
French Franc	71.7	−12.8
Lira	47.3	−18.4
Yen	223.0	+67.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1975=100).

OTHER CURRENCIES

June 10	£	$
Argentina	2.7540-2.7655	1.6600-1.6660
Australia	2.3195-2.3225	1.3955-1.3965
Brazil	61.0195-61.3620	36.7810-36.9650
Finland	7.2455-7.2580	4.3600-4.3630
Greece	221.50-225.45	132.80-135.10
Hong Kong	12.9500-12.9630	7.8050-7.8060
Iran	117.20*	70.50*
Korea (Sth)	1351.00-1363.25	811.30-817.90
Kuwait	0.46390-0.46430	0.27965-0.27975
Luxembourg	61.65-61.75	37.15-37.25
Malaysia	4.1165-4.1275	2.4845-2.4865
Mexico	2148.40-2154.70	1295.00-1298.00
N. Zealand	2.8275-2.8325	1.7015-1.7035
Saudi Ar.	6.2210-6.2265	3.7500-3.7510
Singapore	3.4950-3.5050	2.1080-2.1090
S. Af. (Cm)	3.3165-3.3315	2.0010-2.0050
S. Af. (Fn)	5.4945-5.6825	3.3060-3.4190
Taiwan	51.80-52.05	31.15-31.25
U.A.E.	6.0925-6.0965	3.6725-3.6735

*Selling rate

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

June 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6545-1.6690	1.6585-1.6595	0.26-0.23c pm	1.77	0.61-0.56 pm	1.41
Ireland†	1.4915-1.5020	1.4925-1.4935	0.49-0.44c pm	3.73	1.28-1.14 pm	3.23
Canada	1.3383-1.3413	1.3395-1.3405	0.12-0.15c dis	−1.21	0.38-0.41 dis	−1.18
Netherlands	2.0090-2.0250	2.0240-2.0250	0.34-0.31c pm	1.94	1.12-1.07 pm	2.17
Belgium	37.00-37.25	37.15-37.25	3pm-par	0.49	8-3 pm	0.59
Denmark	6.70¼-6.76	6.75¼-6.75¾	1.00-1.70ore dis	−2.41	3.30-4.00 dis	−2.17
W. Germany	1.7815-1.7970	1.7955-1.7965	0.55-0.52pf pm	3.59	1.70-1.65pm	3.75
Portugal	139½-140	139¾-140	60-110c dis	−7.31	230-300 dis	−7.60
Spain	124.12-125.25	125.15-125.25	60-110c dis	−8.18	250-280 dis	−8.18
Italy	1293-1302	1300¼-1301¼	3.00-4.00lire dis	−3.24	9.00-12.00dis	−3.24
Norway	6.64-6.68¼	6.66¾-6.67¼	4.00-4.50ore dis	−7.65	12.40-12.90dis	−7.59
France	5.96½-6.01	6.00¼-6.00¾	0.60-0.75c dis	−1.35	1.80-2.10 dis	−1.30
Sweden	6.23½-6.27	6.26½-6.27	0.90-1.20ore dis	−2.01	3.15-3.55 dis	−2.14
Japan	141.65-142.50	142.40-142.50	0.43-0.40y pm	3.51	1.32-1.27 pm	3.65
Austria	12.54-12.58¾	12.58¾-12.58¾	3.50-3.10gro pm	3.11	10.00-9.00 pm	3.03
Switzerland	1.4710-1.4885	1.4860-1.4870	0.42-0.37c pm	3.20	1.38-1.33 pm	3.66

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.25-37.35

POUND SPOT—FORWARD AGAINST THE POUND

June 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6545-1.6690	1.6585-1.6595	0.26-0.23c pm	1.77	0.61-0.56 pm	1.41
Canada	2.2195-2.2390	2.2195-2.2205	0.15-0.06c pm	0.57	0.20-0.07 pm	0.24
Netherlands	3.34-3.36¼	3.35¼-3.36¼	1⅛-⅞c pm	3.57	3-2¾ pm	3.43
Belgium	61.43-61.85	61.65-61.75	15-8c pm	2.24	35-23 pm	1.88
Denmark	11.15½-11.23	11.20-11.21	⅝-1¼ore dis	−1.00	3-3⅝ dis	−1.18
Ireland	1.1075-1.1125	1.1075-1.1085	0.16-0.37 p dis	−2.87	0.42-0.67 dis	−1.97
W. Germany	2.96¼-2.98½	2.97½-2.98½	1⅜-1¼pf pm	5.29	3⅞-3⅝ pm	5.03
Portugal	231.22-233.45	231.25-232.25	65-152c dis	−5.62	305-429 dis	−6.33
Spain	206.86-207.94	206.90-207.20	⅞-1½c dis	−6.88	3-3¼ dis	−6.52
Italy	2146¼-2163¾	2157½-2158½	3-4 lire dis	−2.71	7-14 dis	−3.80
Norway	11.05¾-11.13¾	11.06-11.07	5⅛-6 ore dis	−6.85	17⅝-18½ dis	−7.13
France	9.90¾-9.97½	9.95¾-9.96¾	⅝-⅛ c pm	0.45	⅝ pm-⅛ dis	0.08
Sweden	10.38¾-10.43½	10.39¾-10.40¾	par-¼ ore dis	−0.14	1½-2¼ dis	−1.63
Japan	235¼-236¾	235¾-236¾	1⅛-⅞ y pm	5.08	3-2¾ pm	4.87
Austria	20.84-20.97	20.84-20.87	9⅞-8 gro pm	4.93	23¼-21¼ pm	4.32
Switzerland	2.45¾-2.47¼	2.46-2.47	1⅛-⅞ c pm	4.87	3½-2⅞ pm	4.57

Belgian rate is for convertible francs. Financial franc 61.60-61.90. Six-month forward dollar 0.90-0.85 c pm. 12-month 1.22-1.12c pm.

EURO-CURRENCY INTEREST RATES

June 10	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	9⅜-9½	9¼-9½	8 13/16-8 11/16	8⅝-8¾	8 9/16-8 11/16	8 11/16-8 15/16
U.S. Dollar	6 13/16-6 11/16	6 15/16-6 13/16	7-7⅛	7 1/16-7 3/16	7½-7⅝	8-8⅛
Can. Dollar	7¾-8	7⅞-8⅛	7 15/16-8 3/16	8¼-8½	8½-8¾	8⅞-9⅛
D. Guilder	5 5/16-5 3/16	5⅛-5¼	5⅛-5¼	5⅛-5¼	5⅛-5¼	5⅛-5¼
Sw. Franc	2-2¼	1½-1¾	3 15/16-4 1/16	3 13/16-3 15/16	3 11/16-3 13/16	3 11/16-3 13/16
Deutschmark	3 5/16-3 3/16	3 7/16-3 11/16	3 7/16-3 11/16	3 7/16-3 11/16	3 7/16-3 11/16	3⅝-3¾
Fr. Franc	8-8⅛	8 5/16-8 3/16	8 3/16-8 5/16	8¼-8½	8 11/16-8 13/16	9-9⅛
Italian Lire	9-11	9-10	9⅞-10⅛	10-10½	10¼-10⅝	10⅞-11⅛
B. Fr. (Fin.)	6-6¼	6½-6¾	6¾-6⅞	6⅞-7	7-7⅛	7 3/16-7 5/16
B. Fr. (Con.)	6-6½	6-6½	6½-6⅞	6⅝-7	6¾-7⅛	7-7⅛
Yen	3 3/16-3¼	3 5/16-3½	3 11/16-3 13/16	3¾-3 13/16	3¾-3⅞	3 13/16-3 15/16
D. Krone	9⅜-9¾	9⅜-9¾	9½-9⅞	9½-9⅞	9¾-10⅛	10¼-10⅝
Asian $Sing.	⅛-¼	N/A	4-4 1/16	4 5/16-4 7/16	4⅝-4¾	4¾-4⅞

Long-term Eurodollars: Two years 8½-8⅝ per cent; three years 8¾-9 per cent; four years 8⅞-9⅛ per cent; five years 9-9¼ per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

June 10	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.659	2.980	236.3	9.963	2.465	3.358	2158.	2.200	61.70
$	0.603	1.	1.796	142.5	6.005	1.487	2.025	1301.	1.326	37.20
DM	0.336	0.557	1.	79.28	3.343	0.827	1.127	724.2	0.738	20.70
YEN	4.233	7.022	12.61	1000.	42.17	10.43	14.21	9134.	9.312	261.2
F Fr.	1.004	1.665	2.991	237.1	10.	2.474	3.370	2166.	2.208	61.93
S Fr.	0.406	0.673	1.209	95.84	4.042	1.	1.362	875.5	0.892	25.03
H Fl.	0.298	0.494	0.888	70.36	2.967	0.734	1.	642.7	0.655	18.38
Lira	0.463	0.769	1.381	109.5	4.617	1.142	1.556	1000.	1.019	28.59
C $	0.455	0.754	1.355	107.4	4.528	1.120	1.526	980.9	1.	28.05
B Fr.	1.621	2.689	4.830	382.9	16.15	3.995	5.442	3498.	3.566	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES

Election nerves show

GILT PRICES lost ground in the *London International Financial Futures Exchange* yesterday. Profi taking ahead of today's general election accounted for much of the decline. Many investors had already made a reasonable profit and although there was general agreement in the market that the Conservative party had the best chance of winning, there was also a good deal of nervousness because even the slightest doubt would give rise to considerable *volatility*.

Despite the nervousness, which was principally a reflection of the high degree of good news already built into the price, traders were not willing to run too short

The September long gilt contract opened at 127—12 down from 127—14 on Tuesday and touched a low of 126—29 before closing at 127—04.

Three-month sterling deposits acted in much the same way, deriving little inspiration from a static cash market. The September price finished at 91.45, down from 91.53, having opened at 91.55.

US Treasury bonds opened weaker but managed to recoup during the day to finish up from Tuesday's closing levels. The dollar finished towards the best level of the day, shrugging off the indifferent outcome to the Venice summit. Attention now focuses on tomorrow's US trade figures. The September bond price opened at 89-25, down from 90-06 and touched a low of 89-19 before finishing stronger at 90-18.

Three-month Euro-dollar deposits were confined to a narrow range, opening at 92.14 for September delivery and trading in a 10 tick range before closing at 92.19, little changed from Tuesday's close of 92.18.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls—Last Sept	Calls—Last Dec	Puts—Last Sept	Puts—Last Dec
118	9.44	10.08	0.36	1.12
120	7.60	8.39	0.52	1.43
122	6.24	7.15	1.16	2.19
124	4.58	5.63	1.50	3.03
126	3.42	4.56	2.34	3.60
128	2.41	3.58	3.33	4.62
130	1.50	3.06	4.42	6.10
132	1.14	2.26	6.06	7.30

Estimated volume total, Calls 5,678 Puts 2,263
Previous day's open int: Calls 22,766 Puts12,190

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls—Last Sept	Calls—Last Dec	Puts—Last Sept	Puts—Last Dec
80	10.41	9.59	0.05	0.19
82	8.47	8.11	0.11	0.35
84	6.61	6.36	0.25	0.60
86	5.20	5.08	0.48	1.32
88	3.57	3.56	1.21	2.16
90	2.36	2.54	2.00	3.14
92	1.37	2.01	3.01	4.25
94	0.60	1.25	4.24	5.49

Estimated volume total, Calls 230 Puts 53
Previous day's open int: Calls 710 Puts 512

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls-Last June	Calls-Last July	Puts-Last June	Puts-Last July
21000	19.84	25.63	1.24	2.53
21250	17.77	23.66	1.67	3.06
21500	15.79	21.77	2.19	3.67
21750	13.92	19.96	2.82	4.36
22000	12.18	18.24	3.58	5.14
22250	10.56	16.61	4.46	6.01
22500	9.08	15.06	5.48	6.96
22750	7.74	13.62	6.64	8.02

Estimated volume total, Calls 48 Puts 74
Previous day's open int: Calls 487 Puts 653

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls—Last Jun.	July	Aug.	Sept.	Puts—Last Jun.	July	Aug	Sept.
1.45	20.85	—	—	20.85	0.00	—	—	0.06
1.50	15.85	15.85	15.85	15.85	0.00	0.01	0.12	0.26
1.55	10.85	10.85	10.92	11.09	0.00	0.11	0.47	0.79
1.60	5.85	6.29	6.88	7.25	0.02	0.65	1.43	1.95
1.65	1.07	2.90	3.78	4.28	0.28	2.26	3.33	3.98
1.70	0.08	0.99	1.78	2.25	4.29	5.35	6.33	6.95
1.75	0.00	0.24	0.71	1.05	9.21	9.60	10.26	10.75

Estimated volume total, Calls 41 Puts 343
Previous day's open int, Calls 1,458 Puts 2,474

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last June	July	Aug.	Sept.	Puts—Last June	July	Aug.	Sept.
1.45	12.90	—	—	12.70	0.80	—	—	1.50
1.50	15.40	16.80	16.60	16.80	0.25	0.40	0.35	0.50
1.55	12.10	11.80	11.60	11.80	0.20	0.55	0.85	0.85
1.60	6.80	7.05	7.20	8.00	0.40	0.85	1.55	2.85
1.65	1.85	3.65	4.65	5.20	0.75	2.40	3.40	5.10
1.70	0.25	1.55	2.30	2.95	3.65	5.00	6.00	8.35
1.75	0.35	0.65	1.15	1.60	8.65	9.00	9.65	12.30

Previous day's open int: Calls 1927 Puts 805
Volume: 643

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last June	July	Aug.	Sept.	Puts—Last June	July	Aug.	Sept.
1.600	6.00	6.20	6.70	7.10	0.15	0.60	1.30	1.75
1.625	3.50	4.30	5.30	5.70	0.30	1.15	2.00	2.50
1.650	1.50	2.80	4.10	4.00	0.55	2.05	3.10	3.65
1.675	0.30	1.70	2.60	—	1.60	3.20	4.10	—
1.700	0.15	1.00	2.05	2.45	3.10	4.60	5.60	6.10
1.725	—	0.75	1.45	1.85	5.60	6.50	7.40	7.80
1.750	—	0.35	1.00	1.30	8.05	8.50	9.20	9.60

Previous day's open int: Calls 114,486 Puts 108,047
Previous day's volume, Calls 10,751 Puts 11,848

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls—Last June	Sept.	Dec.	Mar.	Puts—Last June	Sept.	Dec.	Mar.
92.00	0.78	0.45	0.46	—	0.00	0.26	0.65	—
92.25	0.53	0.31	0.35	—	0.00	0.37	0.79	—
92.50	0.28	0.18	0.26	—	0.00	0.49	0.95	—
92.75	0.07	0.11	0.18	—	0.04	0.67	1.12	—
93.00	0.00	0.06	0.13	—	0.22	0.87	1.32	—
93.25	0.00	0.03	0.08	—	0.47	1.09	1.52	—
93.50	0.00	0.01	0.05	—	0.72	1.32	1.74	—

Previous day's open int: Calls 1,839 Puts 2,140
Estimated volume, Calls 1 Puts 334

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
June	127-06	127-20	127-03	127-16
Sept.	127-04	127-19	126-29	127-14
Dec.	126-30	—	—	127-08

Estimated volume 29,047 (28,504)
Previous day's open int. 25,340 (26,494)

10% NOTIONAL SHORT GILT
£100,000 64ths of 100%

	Close	High	Low	Prev.
June	—	—	—	—

Estimated Volume 0 (0)
Previous day's open int. 0 (0)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
June	91.29	91.37	91.27	91.34
Sept.	91.45	91.56	91.42	91.53
Dec.	91.27	91.31	91.24	91.30
Mar.	91.08	91.09	91.05	91.10
June	90.91	90.95	90.92	90.95
Sept.	90.75	—	—	90.80

Estimated Volume 5,131 (6,542)
Previous day's open int. 21,786 (22,439)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
June	228.60	229.30	227.70	229.10
Sept.	233.10	234.50	233.00	234.50

Estimated volume 1,471 (1,759)
Previous day's open int. 7,709 (7,823)

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
June	92.78	92.80	92.72	92.77
Sept.	92.19	92.22	92.11	92.18
Dec.	91.81	91.84	91.75	91.82
March	91.59	91.58	91.54	91.60
June	91.41	—	—	91.42
Sept.	91.26	—	—	91.27
Dec.	91.12	—	—	91.13
Mar.	90.99	—	—	91.00

Estimated volume 7,257 (5,715)
Previous day's open int. 34,662 (35,066)

U.S. TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
June	91-22	91-25	90-30	91-10
Sept.	90-18	90-21	89-19	90-06
Dec.	89-20	—	—	89-08

Estimated Volume 6,907 (5,246)
Previous day's open int. 4,073 (3,789)

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6590	1.6566	1.6532	1.6503	1.6473

IMM—STERLING $s per £

	Latest	High	Low	Prev
June	1.6570	1.6655	1.6550	1.6645
Sept.	1.6520	1.6610	1.6515	1.6600
Dec.	—	1.6595	1.6505	1.6575
Mar.	1.6500	—	1.6500	1.6560

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.6579	1.6656	1.6585	1.6568
Sept.	1.6530	1.6624	1.6583	1.6515
Dec.	1.6511	—	—	1.6485

Estimated volume 547 (161)
Previous day's open int 720 (696)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
June	91-21	91-23	90-26	91-05
Sept.	90-16	90-18	89-22	90-01
Dec.	89-18	89-20	88-24	89-03
Mar.	88-23	88-23	87-30	88-08
June	87-28	87-28	87-20	87-16
Sept.	87-06	87-06	86-31	86-26
Dec.	—	—	—	86-06
Mar.	—	—	—	85-21
June	—	—	—	84-24
Sept.	—	—	—	—
Dec.	—	—	—	84-12

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Sept.	93.73	93.79	93.62	93.64
Dec.	93.24	93.29	93.16	93.19
Mar.	92.98	93.08	92.90	92.94
June	92.81	92.86	92.81	92.77
Sep.	92.65	92.71	92.65	92.62
Dec.	—	—	—	92.47
Mar.	—	—	—	92.34

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
June	0.6748	0.6795	0.6741	0.6769
Sep.	0.6807	0.6852	0.6800	0.6827
Dec.	0.6869	0.6925	0.6865	0.6889
Mar.	0.6950	0.6990	0.6950	0.6948

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
June	0.7032	0.7058	0.7032	0.7038
Sept.	0.7094	0.7123	0.7093	0.7101
Dec.	0.7165	0.7185	0.7162	0.7169
Mar.	—	—	—	0.7242
Jun.	—	—	—	0.7319

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
June	0.5585	0.5606	0.5581	0.5599
Sept.	0.5634	0.5656	0.5632	0.5649
Dec.	0.5692	0.5712	0.5692	0.5705
Mar.	—	—	—	0.5762

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
June	92.78	92.80	92.72	92.76
Sept.	92.20	92.22	92.11	92.17
Dec.	91.82	91.83	91.75	91.81
Mar.	91.59	91.59	91.52	91.58
June	91.41	91.41	91.35	91.41
Sept.	91.27	91.27	91.22	91.26
Dec.	91.12	91.12	91.08	91.12
Mar.	91.00	91.00	90.95	91.00

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
June.	298.55	299.10	297.90	297.75
Sept.	300.30	300.90	299.65	299.45
Dec.	302.45	302.90	301.70	301.70
Mar.	—	304.70	—	303.80

MONEY MARKETS

UK rates steady ahead of election

INTEREST RATES showed little overall change in the London money market yesterday. Most participants were content to adopt a wait and see attitude ahead of today's general election and although most traders were confident of a Conservative win, there was little incentive to operate in the period rates. Consequently attention appeared to centre on the overnight rate.

Discount houses were reluctant to sell paper because of the prospect of renewed downward pressure on clearing bank base rates after the general election.

The size of balances brought forward by clearing banks tended to suggest that there was some distortion caused by the payment due on British Gas shares. Overnight money opened at 9⅝ per cent but eased during the day to finish nearer 3 per cent. Three-month money was quoted at 8¾-8⅝ per cent, unchanged from Tuesday.

UK clearing bank base lending rate 9 per cent since May 8

The Bank of England forecast a shortage of around £650m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take-up of Treasury bills draining £366m and Exchequer transactions a further £625m. There was also a rise in the note circulation of £100m. These were partly offset by banks' balances brought forward £460m above target.

Assistance in the morning came to £54m through outright purchases of eligible bank bills in band 1 at 8⅞ per cent.

The forecast was revised to a shortage of around £250m before taking into account the early help and the Bank gave additional assistance in the afternoon of £204m through outright purchases of eligible bank bills in band 1 at 8⅞ per cent.

In Frankfurt the Bundesbank allocated DM 8.1bn at its latest 28-day sale and repurchase agreement at a minimum rate of 3.55 per cent. This was unchanged from previously. Yesterday's influx coincided with a maturing facility of DM 9.5bn and while liquidity levels remained comfortable, there was likely to be a considerable drain on short term liquidity later this month as very heavy corporate tax payments are made.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 10) 3 months U.S. dollars		6 months U.S. dollars	
bid 7 1/16	offer 7 3/16	bid 7½	offer 7⅝

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	8¼
Broker loan rate	8
Fed. funds	6⅝
Fed funds at intervention	6¾

Treasury Bills and Bonds

One month	N/A	Three year	7.91
Two month	N/A	Four year	8.03
Three month	5.64	Five year	8.11
Six month	6.11	Seven year	8.36
One year	6.74	10 year	8.49
Two year	7.62	30 year	8.66

June 10	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.35-3.50	3.55-3.65	3.60-3.70	3.60-3.75	3.65-3.80	5.0
Paris	8 3/16-8¼	8¼-8⅜	8¼-8⅜	8 3/16-8 5/16	8 1/16-8 3/16	7¾
Zurich	⅞-1⅛	3⅞-4⅛	—	4-4⅛	—	—
Amsterdam	5⅞-5¾	5 5/16-5¼	—	5⅛-5¼	—	—
Tokyo	3.09375	3.65625	—	3.65625	—	—
Milan	10½-11	10¼-11¼	—	10½-11	—	—
Brussels	4.55	6¼-6⅞	—	6⅞-7	—	—
Dublin	10⅞-11⅛	11¼-11⅜	11-11¼	10½-10¾	10⅜-10⅝	—

LONDON MONEY RATES

June 10	Overnight	7 days notice	Month	Three Months	Six Months	One Year
Interbank	9⅝-3	9½-9⅜	8 13/16-8 11/16	9¼-8⅝	8¾-8⅝	8 11/16-8 13/16
Sterling CDs	—	—	8⅞-8¾	8⅝-8½	8⅝-8½	8 11/16-8 9/16
Local Authority Deposits	9⅞	9 1/16	8 13/16	8⅝	8 9/16	8 13/16
Local Authority Bonds	—	—	9	8 11/16	8 13/16	9 1/16
Discount M'ket Deposits	9½-5	9	8¾	8½	—	—
Company Deposits	—	9½	8 13/16	8¾	8 11/16	9
Finance House Deposits	—	—	8⅞	8¾	8⅝	8⅞
Treasury Bills (Buy)	—	—	8 13/16	8⅝	—	—
Bank Bills (Buy)	—	—	8 11/16	8 11/16	8 9/16	—
Fine Trade Bills (Buy)	—	—	9 1/16	9 1/16	8 15/16	—
Dollar CDs	—	—	7.10-7.05	7.20-7.15	7.50-7.45	8.00-7.95
SDR Linked Deposits	—	—	6½-5⅞	6 3/16-5 15/16	6⅜-6¼	6⅝-6½
ECU Linked Deposits	—	—	6¾-6⅝	6 13/16-6 11/16	6⅞-6¾	7⅛-7

Treasury Bills (sell); one-month 8 13/16 per cent; three-months 8 11/16 per cent; Bank Bills (sell): one-month 8 11/16 per cent; three months 8⅝ per cent; Treasury Bills; Average tender rate of discount 8.3830 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day May 29, 1987. Agreed rates for period June 24 to July 25, 1987, Scheme I: 10.54 p.c., Schemes II & III: 10.12 p.c. Reference rate for period May 1 to May 29, 1987, Scheme IV: 8.873 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 9½ per cent from June 1, 1987. Bank Deposit Rates for sums at seven days' notice 3-3½ per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 8 per cent, one-three months 8¼ per cent, three-six months 8½ per cent, six-nine months 8½ per cent, nine-12 months 8⅝ per cent; Under £100,000 8 per cent from June 11, Deposits withdrawn for cash 5 per cent.

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JUNE 10 1987					TUESDAY JUNE 9 1987			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (94)	134.55	+0.7	120.24	124.93	3.07	133.64	119.25	124.31	140.95	99.92	88.95
Austria (16)	87.98	−0.5	78.62	81.76	2.29	88.39	78.87	82.45	101.62	85.94	85.73
Belgium (47)	117.86	+0.4	105.33	108.41	4.40	117.40	104.75	107.84	123.62	96.19	76.98
Canada (127)	126.52	+0.2	113.07	122.76	2.42	126.27	112.67	122.80	136.17	100.00	98.66
Denmark (39)	119.63	−0.2	106.91	109.91	2.52	119.85	106.94	109.78	124.10	98.18	98.78
France (122)	108.51	−1.4	96.97	102.22	2.72	110.10	98.24	103.41	121.82	98.39	80.42
West Germany (90)	91.24	−0.3	81.53	85.19	2.20	91.50	81.65	85.17	100.33	84.00	82.97
Hong Kong (45)	117.55	−0.1	105.05	117.80	2.86	117.71	105.04	118.01	117.71	96.89	69.58
Ireland (14)	127.48	−0.2	113.92	120.31	3.62	127.72	113.96	120.29	131.86	99.50	82.59
Italy (76)	100.16	−1.2	89.50	97.31	1.86	101.37	90.45	98.26	112.11	94.76	85.84
Japan (458)	160.22	+2.1	143.18	144.27	0.46	156.89	140.00	141.27	161.28	100.00	78.41
Malaysia (36)	169.28	+0.4	151.27	162.04	2.34	168.60	150.45	161.54	172.55	98.24	81.92
Mexico (14)	218.48	+3.1	195.24	309.69	0.71	211.91	189.09	299.81	218.48	99.72	50.05
Netherland (38)	117.60	+0.7	105.09	108.66	4.08	116.83	104.25	107.58	120.14	99.65	89.01
New Zealand (27)	97.71	+1.4	87.32	88.34	3.01	96.40	86.02	87.97	100.59	83.93	68.52
Norway (24)	139.28	−0.5	124.47	126.09	1.99	140.05	124.97	127.12	140.05	100.00	98.70
Singapore (27)	142.11	+0.1	127.00	138.08	1.76	141.91	126.63	137.99	144.47	99.29	73.49
South Africa (61)	161.41	+0.9	144.25	118.63	3.44	160.04	142.81	117.62	186.74	100.00	74.74
Spain (43)	114.23	+0.4	102.08	108.34	3.75	113.75	101.50	107.89	121.31	100.00	83.01
Sweden (33)	114.79	+1.1	102.59	106.51	2.17	113.51	101.28	105.31	124.68	90.85	88.94
Switzerland (51)	92.24	−1.4	82.43	85.01	2.02	93.53	83.46	85.96	104.06	92.24	81.28
United Kingdom (336)	149.06	−0.5	133.21	133.21	3.18	149.75	133.62	133.62	149.75	99.65	96.93
USA (594)	121.84	+0.1	108.88	121.84	2.99	121.74	108.63	121.74	124.06	100.00	100.82
Europe (929)	120.05	−0.5	107.28	110.20	2.90	120.64	107.65	110.52	121.61	99.78	88.70
Pacific Basin (687)	157.63	+2.0	140.87	142.50	0.61	154.52	137.88	139.70	158.30	100.00	78.48
Euro-Pacific (1616)	142.63	+1.2	127.47	129.62	1.38	141.01	125.82	128.07	143.22	100.00	82.52
North America (721)	122.08	+0.1	109.10	121.91	2.96	121.98	108.85	121.82	124.60	100.00	100.71
World Ex. US (1818)	142.31	+1.1	127.18	130.16	1.44	140.73	125.58	130.16	143.09	100.00	82.98
World Ex. UK (2076)	132.86	+0.9	118.73	126.10	1.85	131.69	117.51	124.97	133.33	100.00	89.32
World Ex. So. Af. (2351)	134.13	+0.8	119.86	126.79	1.97	133.13	118.79	125.80	134.13	100.00	90.05
World Ex. Japan (1954)	121.99	−0.1	109.02	117.97	2.94	122.09	108.95	118.01	122.09	100.00	95.49
The World Index (2412)	134.30	+0.8	120.02	126.75	1.99	133.30	118.95	125.77	134.30	100.00	89.96

Base values: Dec 31, 1986 = 100

EUROPEAN OPTIONS EXCHANGE

Series		Aug 87 Vol.	Aug 87 Last	Nov 87 Vol.	Nov 87 Last	Feb 88 Vol.	Feb 88 Last	Stock
GOLD C	$440	215	30	31	43.90	—	—	$456
GOLD C	$480	30	11.50	2	23	—	—	"
GOLD C	$500	—	—	9	16.50	75	24	"
GOLD C	$520	5	3.50	115	11	—	—	"
GOLD P	$390	130	0.70	—	—	—	—	"
GOLD P	$420	30	3.10	—	—	20	10.50	"
		Jun 87		Sep 87		Dec 87		
SILVER C	$750	—	—	—	—	134	175	$767
SILVER C	$850	207	5	—	—	—	—	"
£/Fl. C	Fl.330	56	5.20	20	6.70	—	—	Fl.335.26
£/Fl. C	Fl.335	42	2.40	31	4.50	10	6	"
£/Fl. P	Fl.340	30	0.50	—	—	—	—	"
		Jun 87		Jul 87		Aug 87		
$/Fl C	Fl.200	10	2	20	3.80	9	4.20	Fl.201.78
$/Fl C	Fl.205	24	0.70	117	1.80	45	2.90B	"
$/Fl P	Fl.210	15	0.30	—	—	40	1.20	"
$/Fl P	Fl.200	92	0.90	119	3	5	3.50	"
		Sep 87		Dec 87		Mar 88		
$/Fl C	Fl.200	7	5.20	—	—	15	7.50	Fl.201.78
$/Fl C	Fl.205	9	3.30	22	4.60	18	5.50	"
$/Fl C	Fl.210	10	1.90	—	—	7	3.90	"
$/Fl C	Fl.215	—	—	—	—	23	2.30	"
$/Fl P	Fl.200	13	5	—	—	3	9.50	"
$/Fl P	Fl.205	34	7.60	—	—	—	—	"

		July 87 Vol.	July 87 Last	Oct 87 Vol.	Oct 87 Last	Jan 88 Vol.	Jan 88 Last	Stock
ABN C	Fl.500	118	1.50	77	9	—	—	Fl466
ABN P	Fl.460	133	7.50	72	18	3	22	"
AEGON C	Fl.95	4	0.60	5	2	52	3.20	Fl87
AEGON P	Fl.85	—	—	85	2.90	—	—	"
AHOLD C	Fl.95	31	2.20A	91	4.30	—	—	Fl92.80
AHOLD P	Fl.95	5	3	72	4.80	—	—	"
AHOLD C	Fl.95.50	14	1.40	—	—	—	—	"
AHOLD P	Fl.90.90	20	0.80	10	2.50	—	—	"
AKZO C	Fl.140	1274	2.30	788	6.50	108	8.80	Fl.134.90
AKZO P	Fl.130	498	1.70	107	3.80	85	5.40	"
AMEV C	Fl.70	17	0.10	—	—	40	1.30	Fl.58.30
AMEV P	Fl.65	65	7.20	—	—	—	—	"
AMRO C	Fl.75	54	1	34	2.60	17	3.70	Fl.72.40
AMRO P	Fl.75	104	3.50	298	4.80	6	5.70	"
ELSEVIER C	Fl.50	153	1	3	2.50	10	4.20	Fl.48.70
ELSEVIER P	Fl.50	—	—	2	2.60	20	3.50	"
GIST-BROC C	Fl.45	78	0.70	149	1.80	—	—	Fl.40.80
GIST-BROC P	Fl.45	29	4.50	2	4.80	5	5.30	"
HEINEKEN C	Fl.180	20	2	9	5.30	—	—	Fl.171.20
HOOGOVENS C	Fl.40	106	1.80	11	3.80	25	5.50	Fl.40.60
HOOGOVENS P	Fl.40	31	1.40	26	2.80	—	—	"
KLM C	Fl.45	868	3.90	454	5	278	6.40	Fl.48.20
KLM P	Fl.45	27	0.50	312	2.30	26	3	"
NED. LLOYD C	Fl.150	25	0.50	70	2.20	—	—	Fl.128.50
NAT. NED. C	Fl.80	179	0.30	105	0.50	—	—	Fl.66.40
NAT. NED. P	Fl.70	374	4	375	5.50B	12	6	"
PHILIPS C	Fl.50	518	0.90	320	2.50	65	3.50	Fl.48.10
PHILIPS P	Fl.50	844	2.60	295	3.40	97	4.20	"
ROYAL DUTCH C	Fl.260	690	4.30B	173	9.50	11	12.50	Fl.257.60
ROYAL DUTCH P	Fl.250	253	2	111	5.90	2	8.50A	"
ROBECO P	Fl.95	—	—	—	—	30	1.40	Fl.103.30
UNILEVER C	Fl.680	1108	17.20	372	29.50	33	40	"

TOTAL VOLUME IN CONTRACTS: 36,033

A=Ask B=Bid C=Call P=Put

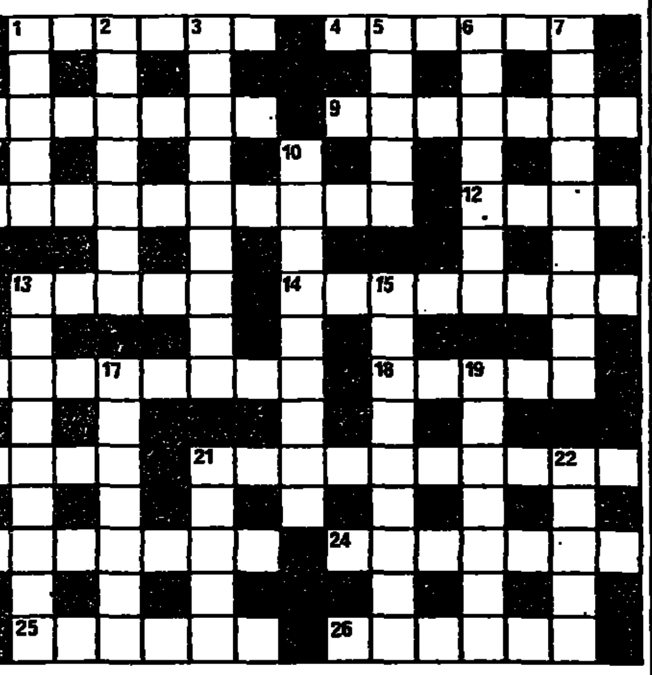
BASE LENDING RATES

	%		%		%
ABN Bank	9	● Charterhouse Bank	9	Nat Bk. of Kuwait	9
Adam & Company	9	Citibank NA	9	NatWestminster	9
Allied Arab Bk Ltd	9	City Merchants Bank	9	Northern Bank Ltd	9
Allied Dunbar & Co	9	Clydesdale Bank	9	Norwich Gen. Trust	9
Allied Irish Bank	9	Comm. Bk. N. East	9	PK Finans. Intl (UK)	10
American Exp. Bk	9	Consolidated Cred	9	Provincial Trust Ltd	10
Amro Bank	9	Co-operative Bank	*9	R. Raphael & Sons	9
Henry Ansbacher	9	Cyprus Popular Bk	9	Roxburghe G'rantee	9½
ANZ Banking Group	9	Duncan Lawrie	9	Royal Bk of Scotland	9
Associates Cap Corp	9	Equat'l Tst C'n plc	9	Royal Trust Bank	9
Authority & Co Ltd	9	Exeter Trust Ltd	9½	Smith & Williamson Secs	9
Banco de Bilbao	9	Financial & Gen. Sec	9	Standard Chartered	9
Bank Hapoalim	9	First Nat. Fin. Corp	10	Trustee Savings Bank	9
Bank Leumi (UK)	9	First Nat. Sec. Ltd	10	UDT Mortgage Exp	¶11.1
Bank Credit & Comm	9	● Robert Fleming & Co	9	United Bk of Kuwait	9
Bank of Cyprus	9	Robert Fraser & Ptrs	10	United Mizrahi Bank	9
Bank of Ireland	9	Girobank	9	Unity Trust PLC	9
Bank of India	9	Grindlays Bank	‡9	Westpac Bank. Corp	9
Bank of Scotland	9	● Guinness Mahon	9	Whiteaway Laidlaw	9½
Banque Belge Ltd	9	HFC Trust & Savings	9	Yorkshire Bank	9
Barclays Bank	9	● Hambros Bank	9		
Benchmark Tst Ltd	9	Heritable & Gen. Tst.	9		
Beneficial Trust Ltd	10	● Hill Samuel	§9		
Berliner Bank AG	9	C. Hoare & Co	9		
Brit Bk of Mid East	9	Hongkong & Shangh	9		
● Brown Shipley	9	Lloyds Bank	9		
Business Mtge Tst	9	Meghraj & Sons Ltd	9		
CL Bank Nederland	9	Midland Bank	9		
Canada Permanent	9	● Morgan Grenfell	9		
Cayzer Ltd	9	C Mnt Credit Corp. Ltd	9		

● Members of the Accepting Houses Committee. * 7-day deposits 4%. Savewise 6.66%. Top Tier—£2,500+ at 3 months' notice 7.97%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 4½% gross. ¶ Mortgage base rate. § Demand deposit 3.99%. Mortgage 11.25%.

FT CROSSWORD PUZZLE No 6,349

PROTEUS



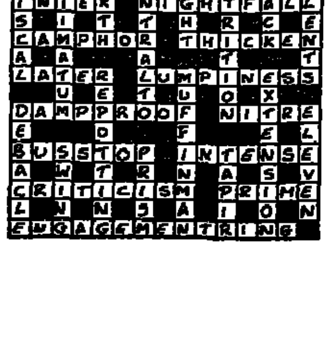
ACROSS

1 Tax to cut out (6)
4 Set out to acquire a pet and get promotion (4,2)
8 Goes and makes amends (7)
9 Plan to bring about division (7)
11 Found record through journalist (10)
12 Travel announcement of some impetuosity (4)
13 Stop at canal town (5)
14 Dog in a jumper (8)
16 Let out and let out again (8)
18 Point out what is due to miller's appearance? (5)
20 Tells again part of old familiar story (4)
21 Athlete having to live with article on "Vegetable Food." (6,4)
23 Servant sick at heart of plunder (7)
24 Hoped to rise from despair (7)
25 Vegetable representing food to soldier (6)
26 Coming into season (6)

DOWN

1 Coming up with timeless extract of fragrant resin (5)
2 Happen to find novice in church (7)
3 Efforts of about four orchestral players (9)
5 The way things are going right up to the finish (5)
6 Light touch needed with bird-model (7)
7 Professional supporter at cathedral would hardly behave thus (9)
10 Leader I would put out at the moment (9)
13 Maurice or Albert Knight? (9)
15 Got ready to go out again and set things right (9)
17 Given power to act when girl was wounded? (7)
19 Go down with inferior team perhaps (7)
21 Storms as king gets older (5)
22 Turn aside thanks to having to pick up clergyman (5)

Solution to Puzzle No 6,348



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

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FT UNIT TRUST INFORMATION SERVICE

Mercury Fund Managers Ltd (c)
33 King William St, EC4R 9AS 01-280 2060

American Growth	106.1	112.8xd	+0.0	1.64
(Accum Units)	111.1	117.5xd	-0.1	1.64
British Blue Chip Fund	50.9	53.8	-0.2	2.32
(Accum Units)	50.9	53.8	-0.2	2.32
American Sm Cos Fd	49.1	51.9	-0.5	0.47
(Accum Units)	49.1	51.9	-0.5	0.47
American Income	50.6	53.5	+0.4	4.33
(Accum Units)	55.1	58.5	+0.4	4.33
European Growth	135.1	142.9	-0.1	0.61
(Accum Units)	239.8	247.9	-0.1	0.61
European Income	78.8	83.3	-0.1	3.59
(Accum Units)	81.0	85.7	+0.0	3.59
General	354.2	374.8	-1.8	1.95
(Accum Units)	588.3	622.5	-2.9	1.95
Gilt	91.2	91.6xd	+0.3	7.15
(Accum Units)	108.5	109.0xd	+0.3	7.15
Global Fund	49.4	52.2	+0.4	0.69
(Accum Units)	49.4	52.2	+0.4	0.69
High Interest Fund	48.8	51.6	+0.6	8.72
(Accum Units)	48.8	51.6	+0.6	8.72
High Income Fund	50.3	53.2	-0.1	4.99
(Accum Units)	51.2	54.1	-0.1	4.99
Income	114.3	120.9xd	+0.0	3.42
(Accum Units)	131.1	138.7xd	+0.0	3.42
International	297.1	314.3	+0.7	1.10
(Accum Units)	369.8	391.3	+0.9	1.10
Japan	235.8	249.5	+3.2	0.53
(Accum Units)	242.1	256.1	+3.3	0.53
Pacific Fd	51.5	54.4	-0.7	0.10
(Accum Units)	51.5	54.4	-0.7	0.10
Recovery	288.2	304.9xd	-0.8	1.95
(Accum Units)	313.3	331.5xd	-0.9	1.95
UK Smaller Co's Fd	49.7	52.5	-	1.91
(Accum Units)	49.7	52.5	-	1.91
Exempt May 27	345.7	354.5	+1.7	2.32
(Accum Units)	541.5	555.3	+1.7	2.32

Metropolitan Unit Trust Mngrs Ltd
3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45184

UK Income Fund	58.8	62.5	+0.1	4.80
Accum Units	58.8	62.5	+0.1	4.80
UK Growth Fund Acc	59.9	63.7	---	1.57
Global Income Fund	49.7	52.8	---	3.79
Accum Units	49.7	52.8	---	3.79
Global Growth Fund	47.9	50.9	+0.1	0.49

Midland Bank Group UT Mngrs. Ltd
Courtwood House, Silver St, Head, Sheffield S1 3RD
Tel: 0742 769842

Capital	116.1	123.1	-0.1	1.44
(Accum Units)	159.3	169.0	-0.3	1.44
Commodity & Gen.	174.4	185.0xd	-0.5	1.53
(Accum Units)	249.0	264.2	-0.6	1.53
European Growth	123.3	130.8xd	-0.9	1.15
(Accum Units)	148.40	157.5	-1.1	1.15
Extra High Inc	72.3	76.7	-0.1	6.49
(Accum Units)	87.7	93.1	-0.1	6.49
Gilt & Fxd. Int.	56.4	58.9xd	-0.1	8.81
(Accum Units)	98.6	102.9	-0.1	8.81
High Yield	206.6	219.1xd	+0.2	4.47
(Accum Units)	365.3	387.6	+0.4	4.47
Income	238.1	252.6	-0.2	2.85
(Accum Units)	399.2	423.6	-0.3	2.85
Intl High St UT	54.5	58.0	-0.1	1.52
Do. Accum	54.5	58.0	-0.1	1.52
Japan and Pacific	376.6	399.2	+2.5	0.18
(Accum Units)	395.7	419.3	+2.5	0.18
Managed Portfolio Acc	65.4	69.3	-0.1	2.10
North American	120.5	127.8	-1.0	1.43
(Accum Units)	145.6	154.5	-1.2	1.43
Smaller Cos.	179.1	190.0	+0.3	1.24
(Accum Units)	192.6	204.3	+0.3	1.24

MIM Britannia Unit Tst Mgrs Ltd (a)(c)(g)
74-78 Finsbury Pavement, London EC2A 1JD
01-588 2777 Dealing: 01-638 0478/0479

UK Specialist Trusts				
Growth Gilt	64.2	65.2	+0.1	0.37
Smaller Companies	217.6	232.1	-0.9	0.56
Special Features	132.8	141.6	+0.7	0.59
(Accum Units)	139.2	148.5	+0.6	0.59
General Funds				
Assets & Earnings	63.0	67.2	-0.1	1.44
Accum Units	63.0	67.2	-0.1	1.44
Managed Invest Fund	64.4	68.7	+0.0	1.34
UK Growth	52.6	56.1xd	-0.2	1.09
High Income Funds				
Extra Income	74.8	79.8	+0.0	5.14
Gilt	27.7	29.2	+0.0	8.22
Income & Growth	276.7	295.1xd	-0.2	3.04
National High Income	257.3	274.5	-0.6	3.42
Preference Shares	19.5	20.8xd	+0.1	8.75
Sector Specialist Funds				
Commodity Shares	198.8	212.1xd	-1.9	0.34
Financial Securities	58.7	62.1xd	+0.0	0.52

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-69 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn LinkLine 0800 010345

Holborn Comm Tst.	73.8	78.0	+0.5	0.39
Holborn Equity Income	66.3	70.1	-0.1	3.67
Holborn Equity Tst.	558.7	590.2	-0.4	2.28
Holborn European Tst.	110.0	116.4xd	-0.7	0.71
Holborn Gilt Tst.	216.8	228.8	+0.8	2.11
Holborn High Inc Tst.	82.4	87.1xd	+0.3	4.95
Holborn Intl Grth Tst.	115.6	122.3	-0.6	0.71
Holborn Japanese Tst.	136.4	144.3	+1.7	0.04
Holborn N. Amer. Tst.	87.7	92.7xd	-0.1	0.52
Holborn Sm Cos Tst.	72.0	76.1xd	+0.2	1.58
Holborn Spec Sits Tst.	95.3	100.8	-0.3	1.45
Holborn UK Growth Tst.	113.1	119.6	-0.7	1.57

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen Fd	625.1	661.5	---	1.66
Quadrant Income	321.4	340.2	---	4.21
Quadrant Intl. Fund	428.5	453.5xd	---	1.11
Quadrant Spec. Sits	404.9	428.5	---	1.55

Reliance Unit Mgrs. Ltd
Reliance House, Tunbridge Wells, Kent 0892 510033

British Life	232.3	247.1	-0.5	2.32
Reliance Unit Tst (Inc)	154.8	164.6	---	1.96
Reliance UK Tst (Acc)	208.3	221.5	---	1.46

Rensburg Fund Managers
Silkhouse Ct., Tithebarn St., Liverpool. 051-227 2030

Internat. Growth Trust	48.8	51.9	---	1.5

N.M. Rothschild Fund Mgmt
St Swithin's Lane, London EC4 01-634 2981/4

NC America (Inc)	308.5	328.1	-2.2	0.84
NC America (Acc)	336.9	358.3	-2.4	0.84
NC Inc Fd.	119.7	127.3xd	-0.2	2.96
NC Japan Fd.	217.7	231.5	+0.1	—
NC Major UK Cos Fd	69.4	73.8xd	-0.2	1.60
NC Smlr Australasian	82.8	88.0	-0.9	0.50
NC Smlr Canadian CoFd	47.6	50.6	+0.1	—
NC Smaller Cos	218.7	232.6	+0.1	0.96
NC Smaller European	192.4	204.6	-1.2	0.45
NC Prop.*	155.1	169.5	---	(z)

*Unauthorised Unit Trusts

Rowan Unit Trust Mngt. (a)
33, King William St, London EC4R 9AS 01-638 5678

Merlin June 6	604.0	612.0	+9.0	1.15

Royal Bank of Canada Fds.
RBC Trust Managers Limited.
1, London Wall, London EC2Y 5JX. 01-600 6222

RBC Select Gwth Acc	75.3	80.0	-0.2	—
RBC Select Income	73.8	78.5	+0.6	—
RBC Select Inc Acc	75.6	80.4	+0.6	—
RBC Select N. America	50.2	53.3	---	—
RBC Select Intnl	51.6	54.8	-0.2	—

Royal Life Fd Mgmt Ltd
PO Box 34, Peterborough PE2 0UE. 0733 230000

Equity Trust	83.4	88.2	---	1.94
International Trust	88.6	93.7	---	0.98
United States Trust	36.5	38.6	---	0.95
Pacific Basin	57.7	61.0	---	0.16
Gilt Trust	27.3	28.7	---	1.12
Equity Grth Accum	249.4	264.0	---	1.12
Equity Grwth Dist	176.1	186.4	---	1.12
High Inc Accum	142.6	150.9	---	2.18
High Inc Dist	118.2	125.1	---	2.18
US Grwth Accum	65.2	69.0	---	0.99
US Grwth Dist	63.5	67.3	---	0.93

Royal London Unit Tst Mgrs Ltd
Royal Ldn Hse, Colchester CO1 1RA 0206 576115

American Grwth	92.9	98.9	+0.6	0.71
European Growth	48.7	51.9	-0.2	0.91
Gilt Income	61.0	64.3	+0.4	8.05
High Income	110.3	117.4xd	+2.1	4.39
Income & Growth	132.4	140.9xd	+1.9	3.92
Intl. Income	62.6	66.6	+0.1	4.50
Japan Growth	131.5	139.9	+0.4	0.03
Special Sits	168.9	179.7	+1.8	0.82
Uk Growth	63.0	67.1xd	+1.3	1.47

Royal Trust Fund Management Ltd
3, Finsbury Sq., EC2A 1RT 0-638 2433
Unit Dealing 01-638 2531

Capital Fund Mar 31	327.4	348.7	---	1.28
Capital Growth (z)	83.3	89.5	---	1.09
(Accum Units)	95.5	102.6	---	1.12

INSURANCES

contd. on next Page

FT UNIT TRUST INFORMATION SERVICE

Manufacturers Life Insurance—Contd.

Pension Fund Prices

Managed Init.	322.5		—
Do. Accum	593.4		—
Property Init	240.8		—
Do. Accum	293.6		—
Equity Init.	412.2		—
Do. Accum	501.8		—
Gilt-Edged Init.	240.6		—
Do. Accum	293.4		—
Guaranteed Init.	157.2		—
Do. Accum	191.8		—
International Init.	515.1		—
Do. Accum	627.6		—
Index Lk. Gilt Init.	140.9		—
Do. Accum.	171.7		—

Merchant Investors Assurance

Leon House, 233 High St, Croydon 01-686 9171

Property	298.6	+0.1	—
Property Pens.	392.6	+0.3	—
Equity	186.0	+1.8	—
Equity Pens.	845.1	+12.3	—
Money Market	321.3	+3.6	—
Money Mkt. Pens.	573.0	+6.3	—
Deposit	295.3	+0.0	—
Deposit Pens.	373.3	+0.1	—
Managed	282.2	+2.3	—
Managed Pens.	540.9	+6.6	—
Intl. Equity	333.2	+0.4	—
Do. Pens.	531.6	+1.1	—
Intl. Managed	305.3	+0.9	—
Do. Pens.	449.4	+2.3	—
North American	124.7	-1.3	—
Do. Pens.	140.8	-2.3	—
Far East	295.6	-2.4	—
Do. Pens.	428.3	-3.5	—
Intnl. Currency	175.5	+0.0	—
Do. Pens.	230.1	+0.0	—
Index Linked	132.7	+0.5	—
S & C Managed Fd	139.6	+0.5	—
S & C Pens Magd Fd	113.4	+0.8	—

Trustlink Life Funds

Per Worldwide Rec.	157.0	-0.2	—
Per Far East Growth	188.2	+1.4	—
Per Intl Growth	149.6	-0.5	—
Per Income	165.6	+1.6	—
Per Emerging Co's	157.8	-0.4	—

Norwich Union Asset Management Ltd

PO Box 124, Norwich NR1 1JS

NUAM Funds

Managed Fund	56.3	59.3
Stock Market Mngd Fund	57.2	60.3
Equity Fund	62.8	66.2
International Fund	52.6	55.4
European Fund	53.9	56.8
North American Fund	47.5	50.0
Pacific Fund	66.3	69.8
Property Fund	50.5	53.2
Fixed Interest Funds	52.0	54.8
Index Linked Sec Fund	47.5	50.0
Deposit Fund	50.5	53.2

NUAM Retirement Plans

Mixed Fund	59.5	62.7
UK Ordinary Share	70.6	74.4
International Fund	53.9	56.9
Property Fund	51.4	54.2
Fixed Interest Fund	53.4	56.3
Index Linked Sec Fund	47.2	49.7
Deposit Fund	52.2	55.0

NUAM (MF)

Managed Fund	767.1	807.5
Equity Fund	1665.2	1752.9
Property Fund	313.9	330.5
Fixed Interest Fund	386.7	407.9
Deposit Fund	206.0	216.9
International Fund	136.3	143.5
Index Linked Sec Fund	47.5	50.0

Norwich Union Life Insurance Soc.

PO Box 4, Norwich NR1 3NG 0603 622200

Pensionvestor* & Unit-Linked Plan*

Fixed Interest Fund	267.4	281.4
Index-Linked Sec Fund	134.1	141.1
Ordinary Share Fund	512.7	539.6
International Fund	138.3	145.5
Property Fund	160.4	168.8
Deposit Fund	163.7	172.3
Mixed Fund	331.8	349.2
Norwich Units March 16	897.8	

*Prices as at June 2

Pearl Assurance (Unit Funds) Ltd

252 High Holborn, London WC1V 7EB

Phoenix Assurance Co Ltd

Pioneer Mutual Insurance Co Ltd

Premium Life Assurance Co Ltd

Property Equity & Life Ass. Co

Property Growth Assur Co Ltd

Providence Capital Life Assc. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co Ltd

Prudential Assurance Co

Prudential Pensions Limited

Regency Life Assurance Co Ltd

Reliance Mutual

Royal Heritage Life Assurance Ltd

Royal Life Insurance Ltd

Royal Liver Assrce (Life & Pensions)

Save & Prosper Group

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Mutual Investments

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd

Sun Life Unit Assurance Ltd

Swiss Life Pensions Ltd

TSB Life Ltd

Target Life Assurance Co. Ltd.

Teachers' Assurance Company Ltd

Transatlantic Life Assur Co Ltd

Trident Life Assurance Co Ltd

Tunbridge Wells Equitable

UK Life Assurance Co Ltd

UK Provident

Vanbrugh Life Assurance

Vanbrugh Pension Limited

Wesleyan & General Assurance Soc

Windsor Life Assur Co Ltd

MANAGEMENT SERVICES

Analysis Group PLC

Barclays Unicorn International

Bridge Management Ltd

Brown Shipley Fund Mgmt (CI) Ltd

Butterfield Management Co Ltd

Capital International

Charterhouse Fund Mgmt. (C.I.) Ltd

Citibank (CI) Ltd "Citifunds"

OFFSHORE AND OVERSEAS

Actibonds Investment Fund SA

Adig Investment

Albany Fund Management Limited

Alexanders Rouse (Bermuda) Ltd

Alliance Capital Management Intl. Inc.

Allied Dunbar International Fund Mgrs.

Allied Irish Fund Managers (CI) Ltd

Asset Global Funds Ltd

Credit Suisse

DWS Deutsche Ges. F. Wertpapiersp.

Daiwa Investment Trust Co Ltd

Dean Witter World Wide Investment Trust SA

Deutscher Investment-Trust

Drexel Burnham Lambert

Dreyfus Intercontinental Inv. Fd.

EBC Trust Company (Jersey) Ltd

Equity & Law International Fund Mgrs Ltd

Eurolife Assurance Group

European Life (Channel Islands) Ltd

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

BRITISH FUNDS—Contd

FOREIGN BONDS & RAILS

AMERICANS

1987 High	1987 Low	Stock	Price	+ or −	Div Gross	C'vr	Yld Gr's
25½	19⅛	Pacificorp $3.25	21½	−⅛	$2.40	—	6.8
19⅛	13½	Pacific Telesis $0.10	15½	−⅛	h$1.64	—	6.5
22	17¼	Pall Corp. 25c	17¼	−⅛	34c	—	1.2
56⅞	45⅛	Pennzoil 83c	51⅞	−⅞	$2.20	—	2.6
28⅞	21⅛	Pillsbury$	24⅛	−½	$1.00	—	2.5
36⅞	26⅛	Quaker Oats $5	31⅞	+⅞	h80c	—	1.6
42	28⅞	RJR Nabisco Inc	32⅛	−½	$1.60	—	3.0
39	27⅛	Rep NY Corpn $5	29⅛xd	−¼	$1.16	—	2.4
18⅛	15⅛	Rockwell Intl. $1	16⅛	−⅛	$1.32	—	5.0

Continued on next page

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
ANZ Finance High Interest Cheque Acc				
Minerva Hse, Montague Cl, London, SE1 01-378 2576				
£250-£2,500	7.00	5.27	7.36	Qtr
£2,500+	9.00	6.77	9.52	Qtr
Adam & Co. plc				
22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484				
Full Service Chq Acc	8.20	6.00	8.64	Qtr
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	8.25	6.21	8.71	Qtr
Mth Int Chq £1000-£5000	8.00	6.02	8.48	Mth
Mth. Int. Chq. £5,000+	8.25	6.21	8.75	Mth
AAB—Allied Arab Bank Ltd				
97-101 Cannon St, London, EC4N 5AD 01-626 2046.				
HICA, HICMA	8.75	6.58	9.30	Mth
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc	8.10	6.09	8.59	Mth
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int. Cheque	7.875	6.00	8.40	Qtr
Benchmark Trust Ltd Premier Account				
9 Henrietta Place, W1M 9AG. 01-631 3313				
£5,000-£10,000	9.00	6.77	9.43	6-mth
£10,000-£20,000	9.25	6.96	9.70	6-mth
£20,000+	9.50	7.15	9.97	6-mth
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2R 7HE 01-606 9833				
Demand Acc	8.50	6.40	9.23	Qtr.
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH. 01-248 4000				
Sterling	8.25	6.21	8.75	Mth
U.S. Dollar	6.00	4.52	6.32	Mth
German Marks	3.50	2.62	3.65	Mth
Swiss Francs	2.50	1.88	2.60	Mth
Japanese Yen	3.50	2.63	3.65	Mth
Citibank Savings				
St Martins Hse, Hammersmith Grove W6 01-741 4941				
Money Market Plus				
£1,000-£24,999	7.50	6.00	8.45	Mth
£25,000	8.00	6.30	8.88	Mth
Co-operative Bank Cheque & Save				
78-80 Cornhill EC3 01-626 6543				
£500-£2,500	5.31	4.00	5.56	Qtr
£2,500 +	7.31	5.50	7.64	Qtr
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE 0803 862271				
Money Mkt Acc	8.50	6.40	8.99	Qtr
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	8.10	6.09	8.59	Mth
Legal & General (Money Mngrs) Ltd				
355 Euston Road, NW1 3AG 01-388 3211				
High Int Dep Acc	8.472	6.375	8.871	6-mth
Lloyds Bank High Interest Cheque Account				
71 Lombard St, London EC3P 3BS 01-626 1500				
£1,000-£4,999	6.50	5.50	7.73	Mth
£5,000-£9,999	7.00	5.80	8.16	Mth
£10,000-49,999	7.50	6.20	8.74	Mth
£50,000+	8.00	6.50	9.17	Mth
M & G/Kleinwort Benson				
M & G Hse., Victoria Rd., Chelmsford 0245 266266				
H.I.C.A. (£2,500+)	8.00	6.02	8.47	Daily
Midland Bank plc				
PO Box 2, Sheffield. 0742 528655				
High Int Chq Acc	7.97	6.00	8.41	Qtr
£10,000 +	8.24	6.20	8.69	Qtr
M.I.M. Britannia Ltd				
74-78 Finsbury Pavement, EC2A 1JD 01-588 2777				
Cater Allen	8.25	6.21	—	—
NatWest Special Reserve Account				
41 Lothbury, London, EC2P 2BP 01-726 1000				
£2,000 to £9,999	8.00	6.125	8.39	Qtr
£10,000 and above	8.125	6.25	8.56	Qtr
Oppenheimer Money Mgmt Ltd				
66 Cannon St, EC4N 6AE 01-236 1425				
Money Mngt. Acct	8.50	6.40	8.99	3-Mth
Phillips & Drew Trust Ltd				
120 Moorgate, London EC2M 6XP 01-628 9771				
High Int Chq Acc	8.75	6.58	9.25	Qtr
Provincial Trust				
30 Ashley Rd, Altrincham, Cheshire 062-928 9011				
H.I.C.A. (£1,000+)	9.00	6.77	9.57	Mth
Royal Bank of Scotland plc				
42 St Andrew Sq, Edinburgh EH2 2YE. 031-557 0201				
Premium Account	7.87	5.92	8.29	Qtr
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	7.97	6.00	8.47	Daily
Tyndall & Co				
29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc	8.48	6.38	8.95	Qtr
Money Acc	8.30	6.25	8.76	Qtr
Client Pbs. Acc.	8.37	6.30	8.85	Qtr
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc	8.00	6.02	9.03	Mth
£10,000 and above	8.25	6.21	9.29	Mth
Western Trust & Savings Limited				
The Moneycentre, Plymouth PL1 5E 0752 224141				
High Int Chq Acc	8.81	6.63	9.30	Qtr
Wimbledon & South West Finance Co Ltd				
114 Newgate St, London EC1A 7AE. 01-606 9495				
High Int Cheque Acc	9.75	7.34	10.33	Qtr

NOTES—Gross: rate in those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
Charities Aid Fndn Money Mngmt Co Ltd				
Staple Hall, Stone Ct, Houndsditch, EC3 01-283 6461				
CAFCASH Call Fund	8.96	6.74	9.56	3-mth
CAFCASH 7-day Fund	8.74	6.58	9.32	3-mth
The Charities Deposit Fund				
2 Fore Street, London EC2Y 5AQ 01-588 1815				
Deposit	8.70	—	8.99	3-mth
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	8.94	6.68	9.31	6mth
7-day Fund	9.03	6.75	9.41	6mth
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	8.65	6.52	9.05	6-Mth
7-day Fund	8.41	6.33	8.81	6-Mth
Dollar	5.50	4.14	5.78	3-Mth

UNIT TRUST NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ⊕ Yield column shows annualised rates of NAV increase. xd Ex dividend.

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
30⅝	22⅞	Sara Lee $1	26¼xd	+⅛	$1.00	—	2.3
11⅞	8⅞	Saul (B. F.) $1	9⅞	–⅛	20c	—	1.3
26¼	19⅞	Southwestern Bell $1	22½	–½	b$2.32	—	6.3
17⅞	14¼	Staley Continental	15½	–⅛	80c	—	3.2
44⅞	36½	Sun Co. Inc. $1	39⅝xd	–⅞	$3.00	—	4.7
37	28½	TPW Inc. $1¼	31⅞xd	–1⅛	h$1.60	—	3.1
31	25⅞	Tenneco $5	29	–⅛	$3.04	—	6.4
187½	149½	Do. 10pcLn.Stk. 91-5	182½xd	...	10%	—	f5.6
26¼	17⅞	Texaco $6.25	23xd	...	$3.00	—	8.0
58⅞	47⅞	Time Inc. $1	55⅞	–1⅞	$1.00	—	1.1
14½	11	Tracor $0.33	13	...	40c	—	1.9
24⅞	18⅞	Transamerica $1	20⅞xd	...	$1.76	—	5.3
11¼	922p	Transworld Corp $5	10¼	–⅛	20c	—	1.1
42¼	29⅛	TRINOVA Corp.	39¼	–1⅛	h$1.00	—	1.5
19⅞	15⅞	USX $1	18⅞	–⅛	$1.20	—	3.9
18¾	15⅞	Union Carbide $1	17⅞	–⅞	$1.50	—	5.2
35⅞	26⅞	Utd. Technologies	28⅞	–⅛	$1.40	—	3.0
38⅞	27	US Westll	30¼	–⅞	$3.28	—	6.6
25	17⅛	Waste Management $1	23¼	–1	—	—	—
£22¼	£20¼	Whirpool $1.0	£21½	–½	—	—	—
33⅞	26	Woolworth $3½	30⅞	–⅞	$1.32	—	2.6

CANADIANS

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
20½p	10p	Abbot Energy Corp.	20p	–½	—	—	—
25¼	10⅛	Amer. Barrick Res.	22⅛	....	—	—	—
122p	52p	Armeno	96p	–4	—	—	—
19⅞	14⅞	Bk. Montreal II	15	–⅛	$2.00	—	6.1
10½	745p	Bk. Nova Scot.II	795p	–24	72c	—	4.2
20⅞	18	BCE II	18¾	–¼	$2.40	—	5.9
960p	712p	Bow Valleyll	834p	–13	40c	—	2.2
19⅞	12⅞	Brascanll	15¼	–½	88c	—	2.7
609p	277p	Breakwater Res.	414p	+4	—	—	—
11⅞	894p	Can.Imp Bk. $2	966pxd	–31	$1.08	—	5.5
12	865p	Can. Pacific II	10¼	–½	48c	—	2.2
42½	37½	Do. 4pc Deb £100	41½xd	..	4%	—	9.6
27½	15⅛	Echo Bay Mines	23¼	–⅛	20c	—	0.4
[illegible]	[illegible]	Euro-Asia Capital Ltd.	157p	–5	—	—	—

BUILDING, TIMBER, ROADS—Cont.

1987 High	Low	Stock
•156	88	Lawrence (W.)
183	112	Do 8.5pc CnvRdPf £1
53½	42	Lilley (F.J.C.)
141	110	Lon. & Clydeside
247½	199	Lovell (Y. J.)
564	396	McAlpine (Alfred)
•486	303	McCarthy & Stone 20p
237	120	McLaughlin & H.
382	242	Magnet & Southerns
353	324	Manders (Hldg)
175	120	Marley
276	168	Marshalls Halifax
280	188	Maunders (John) 20p
424	268	Meyer Int.
138	38	Miller (Stan) 10p
462	360	Mowlem (J)
£10¼	795	Newarthill £1
196	158	Newman-Tonks
405	295	Nottingham Brick
527	252	Persimmon 10p
•152	84	Phoenix Timber
480	370	Pochins
311	166	Polypipe 10p
£10¼	679	RMC
149	73½	Raine Inds. 10p
173	108	Ramus
		For Randsworth [illegible]
•540	399	Redland
95	54	Rowlinson 10p
171	96½	Ruberoid
265	181	Rugby P. Cement
291	183	Sandell Perkins
205	134	Sharpe & Fisher
£11⅞	670	Sindall (Wm)
122	87	Smart (J.) 10p
294	210	Tarmac 50p
•415	192	Tay Homes
449	304	Taylor Woodrow

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PAPER, PRINTING—Continued

PROPERTY

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Cont.

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

FINANCE, LAND—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Continued

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
84½	49½	♥Gem Exp & Minerals	50	–2	—	—	—
568	145	♥GM Kalgoorlie 25c	380	+2	Q12c	0.8	1.4
121	60	♥Great Victoria Gold	86	.....	—	—	—
309	160	♥Hawk Investments 20c	217	–6	—	—	—
92	48	♥Hill Minerals N.L.	65	.....	♦	—	—
600	455	♥Independent Res Ltd	480	–50			
67	29	♥Indian Ocean Res	50	–3	—	—	—
8½	5	♥Indo Pacific NL	7	.....	—	—	—
45	22	♥Invincible Gd 20c	30	–3	—	—	—
55	26	♥Do. 30c	38	.....	—	—	—
103	39	♥Jason Mining 20c	98	+5	—	—	—
116	45	♥Jingellic Mnls	50	–7	—	—	—
147	53	♥Julia Mines NL	115	–1	—	—	—
34	5	♥Kalbara Min 20c	22	+1	—	—	—
61	37	♥Kia Ora Gold $1	48	.....	Q2c	2.2	1.8
66	32	♥Kitchener NL 25c	43	.....	—	—	—
86	29	♥Meekatharra 25c	61	–2	—	—	—
96	37	♥Metals Ex. 50c	89	+3	—	—	—
788	333	♥Metana Minerals N.L.	578	–10	q05c	—	0.4
92	50	♥Metramar Mins 20c	68	.....	—	—	—
129	65	♥MIM Hldgs 50c	103xr	+1	hQ2.67c	3.7	1.1
8½	3¼	♥Minefields Expl 25c	7	.....	—	—	—
56	29	♥Mitooil Secs. 25c	29	–1	—	—	—
52½	13	♥Mount Burgess 20c	47	–1	—	—	—
153	54	♥Normandy Res NL	110	–10	—	—	—
141	83	♥North B Hill 50c	124	+6	hQ5c	0.1	1.7
*95	39½	Nth. Kalgurli	79½	+2	Q4c	1.5	2.1
37	24	♥Oakbridge 50c	29	.....	—	—	—
39	20½	♥Otter Expl'n. NL	33	.....	—	—	—
210	65	♥Pan Aust Mining 25c	198	.....	—	—	—
188	108	♥Pancont'l 25c	167	–2	Q2.5c	7.3	0.6
53	26	♥Paragon Resources NL	42	–2	—	—	—
258	109	Paringa Mng/Exp 5p	223	–7	—	—	—
363	246	♥Peko-Wallsend 50c	310	.....	Q20c	1.8	2.8
56	27	♥Pelsart Res NL	45	.....	—	—	—
20	12	♥Poseidon Mining	19	.....	♦	—	—
54	21	♥Queen Margaret Gold	42	.....	—	—	—
74	30	♥Regent Mining 20c	48	–2	—	—	—
532	284	♥Renison 50c	408xc	–27	hQ10c	1.3	1.1
33	12	♥Samson Expl'n. NL	23	.....	—	—	—
790	363	♥Sons Gwalia NL	493	+15	Q32.5c	1.9	2.8
35	14	♥Sthn. Goldfields	22	.....	Q1.5c	2.0	2.9
22	8½	♥Southern Pacific	19	.....	—	—	—
160	65	♥Southern Res	113	–5	—	—	—
19	8	♥Southern Ventures 25c	17	+2	n—	—	—
55½	25	♥Spargos Expl'n	35	+1	—	—	—
23	15½	♥Swan Res 20c	20	–1	—	—	—
67	24	♥Thames Mining 25c	41	–1	—	—	—
116	70	♥Utd Goldfields NL	116	.....	Q5c	3.1	1.8
33	18	♥West Coast 25c	29	–1	—	—	—
346	149	Westn. Mining 50c	276	+1	hQ3.7c	1.2	0.6
700	247	♥Whim Creek 20c	438	–10	Q11c	16.4	1.1
77	54	♥Windsor Res NL	69	–2	♦	—	—

Tins

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
175	140	Ayer Hitam $M1	160	.....	‡Q80c	0.7	‡
70	30	Geevor	65	.....	—	—	—
65	50	Gopeng Berhad M$0.50	65	.....	Q5c	—	2.0
113	49	Jantar 12½p	103	–2	—	—	—
73	37	Malaysia Mng. 10c	73	.....	KuQ2c	2.8	0.7
145	105	Petaling $M1	145	.....	vQ10c	—	1.7
95	75	Sungei Besi $M1	90	.....	—	—	—
110	90	Tanjong 15p	100	.....	—	—	—
145	105	Tronoh $M1	140	.....	‡vQ45c	0.8	‡

Miscellaneous

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
140	84	Anglo-Dominion	105	+3	—	—	—
90	21	♥Colby Res Corp	58	–4	—	—	—
*295	127	Cons. Murch. 10c	215	+5	Q60c	4.4	8.7
*70½	37½	‡Eanex Int. Ir10p	57xr	–3	—	—	—
318	151	Greenwich Res	274	–7	—	—	—
£12⅞	963	Hemlo Gold Mines	£10 1/16	+¼	—	—	—
355	190	♥Highwood Res	269	–2	—	—	—
£25¾	£16⅞	Homestake Mining $1	£22	+¼	Q20c	—	0.6
442	150	♥McFinley Red Lake	330	–9	—	—	—
166	86	♥Musto Explorations	143	–1½	—	—	—
100	37½	♥New Sabina Res C$1	68	–8½	—	—	—
580	200	Northgate C$1	487	+2	—	—	—
237	104	Nor-Quest Resources	186	.....	—	—	—
£11¼	698	RTZ	£10 1/16	–1/16	23.5	♦	3.2
£233¼	£113¼	Do. 9½pcLn '95-2000	£205¼	–1½	Q9½%	15.5	f4.6

THIRD MARKET

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
485	180	Abelscot Group 10p	470xr	.....	3.5	2.7	1.0	50.5
35	28	Aberdeen Am Pet 10p	33	+1	—	—	—	—
125	110	Allied Ins. Brokers	124	.....	L3.5	2.5	4.0	14.4
15½	9	Ardmore Pet. 'A'	14½	.....	—	—	—	—
77	45	Catalyst Comms. 5p	70	.....	—	—	—	—
98	47	Corton Beach 10p	86xd	–2	0.4	♦	0.6	♦
200	150	Crown Eyeglass 5p	190	.....	—	—	—	—
225	102	Edenspring Investment	225	.....		—	—	—
*62	18	Eglinton Oil Ir.5p	31	.....	—	—	—	—
41	17	Do. Warrants	20	.....	—	—	—	—
53	17	Publishing Hldgs.5p	51	.....	—	—	—	29.5
58	45½	Theme Holdings	49	+1	1.0	♦	2.8	♦
140	111	Unit Group	140#	.....	R4.6	2.5	4.5	(10.0)

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv 20p	81	.....	Fin. 13% 97/02	£112	+⅛
Craig & Rose £1	£16¼	.....	Arnotts	335	.....
Finlay Pkg. 5p	85	.....	CPI Hldgs	57	.....
Holt (Jos) 25p	952	.....	Carroll Inds.	140	.....
IoM Stm. £1	118	.....	Dublin Gas	18	.....
			Hall (R. & H.)	104	.....
IRISH			Heiton Hldgs.	30	.....
Fund 12¾% 1988	£100⅜	+⅛	Irish Ropes	195	–5
Nat. 9¾% 84/89	£98½	+⅛	Unidare	375	+30

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	40	NEI	12
Amstrad	20	Nat West Bk	65
BAT	55	P & O Dfd	65
BOC Grp.	45	Plessey	22
BSR	17	Polly Peck	28
BTR	30	Racal Elect	24
Babcock	19	RHM	30
Barclays	52	Rank Org Ord	70
Beecham	50	Reed Intnl	45
Blue Circle	59	STC	30
Boots	25	Sears	15
Bowaters	50	TI	34
Brit Aerospace	55	TSB	10
Brit. Telecom	32	Tesco	55
Burton Ord	35	Thorn EMI	70
Cadburys	22	Trust Houses	24
Charter Cons.	40	Turner Newall	28
Comm Union	30	Unilever	300
Courtaulds	45	Vickers	20
FNFC	30	Wellcome	42
Gen Accident	95	**Property**	
GEC	24	Brit Land	25
Glaxo	200	Land Securities	45
Grand Met	55	MEPC	42
GUS 'A'	175	Peachey	45
Guardian	90	**Oils**	
GKN	30	BOM	3½
Hanson Tst.	15	Brit Petroleum	32
Hawker Sidd	50	Burmah Oil	45
ICI	125	Charterhall	6
Jaguar	52	Premier	11
Ladbroke	40	Shell	110
Legal & Gen.	32	Tricentrol	11
Lex Service	45	Ultramar	24
Lloyds Bank	50	**Mines**	
Lucas Inds	62		
Marks & Spencer	22	Cons Gold	95
Midland Bk	55	Lonrho	26
Morgan Grenfell	35	Rio T Zinc	90

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON STOCK EXCHANGE

Equities give ground following election nerves and index settles 9.1 lower

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jun 1	Jun 11	Jun 12	Jun 22
Jun 15	Jun 25	Jun 26	July 6
Jun 29	July 9	July 10	July 20

* New time dealings may take place from 9.00 am two business days earlier.

An eve-of-election bout of nervousness took London share prices back from the record levels achieved on Tuesday, but Gilt-edged closed barely changed on the day. Recent confident expectations of a comfortable win the Conservatives were given a jolt by a television poll of key marginals around the country. This suggested a swing to Labour and the possibility of a hung parliament. But two other polls in the morning press carried a more comforting message for the Government, indicating a Tory lead of around seven or eight points over Labour.

Called lower by market-makers prior to the official opening, share price steadied and the FT-SE index briefly displayed a minor improvement of 1.6 before dipping back to show a fall of 16.3 in mid-afternoon. Extreme nervousness developed in the market around this time amid numerous rumours that a poll to be published in today's press would show the Conservatives and Labour running neck and neck.

However a minor flurry of buying interest developed around the lower levels and prices staged a gradual recovery with the FT-SE finally a net 9.1 lower at 2,256.1. The FT Ordinary index showed similar fall at 1,752.2.

Dealers said trading volume in equities was thin throughout the day, but reported an exceptionally large two-way business in poll-sensitive British Gas and British Telecom both of which fell steeply before staging a minor recovery. Turnover in the two companies was in excess of 26m shares apiece.

Government bonds edged up around ¼ during the morning, mirroring the latest advance by sterling against the dollar, but subsequently eased back later in the session when the pound came off its best levels.

Banks made good progress early on, but turned easier during the afternoon when equities in general came under slight pressure. NatWest, the UK bank with the least exposure to third world debt and the favourite of most brokers, ended the day a shade higher at 683p, after extremes of 679p and 690p, while Lloyds closed unchanged at 540p after 537p and 547p. Barclays eased 3 to 540p and Midland were a nervous market at 598p, down 7.

Vague takeover rumours surrounded the Scottish banks where Bank of Scotland featured with a 15 leap to 570p. Royal Bank of Scotland edged 2 to 364p.

Insurance shares attracted widespread interest but broking issues were depressed by the early strength of sterling. Hogg Robinson moved against the overall trend and shot up 22 more to 535p still sustained by rumours of an imminent takeover bid. Life issues reflected the view of numerous brokers that the sector has been overlooked and is due a re-rating. Prudential jumped 21 to 978p. Sun Life, where bid rumours revived, gained 5/16 at £11 13/16 and Legal and General advanced 12 to 347p. Pearl mirrored the chairman's optimism at the annual meeting and the shares rose 10 to 389p.

Breweries generally showed scant alteration from the overnight positions. Revived press speculation of an impending rights issue failed to unsettle Allied-Lyons which closed another 5 dearer on balance at 444p. Regional counters again highlighted Buckleys which put on 6 to 152p—an advance of 21 over the past three trading sessions—following Bestwood's sale of its 27.5 per cent stake.

Building issues passed a quieter session and, with odd excepions, stayed within a few pence of Tuesday's closing levels. Blue Circle, a good market in recent days reflecting traded option activity and bullish reports from a broker's lunch, eased back to close 3 cheaper at 507p. RMC, however, in a market none-too-well supplied with stock, advanced ⅜ to £10¼. Costain attracted further support in the wake of the annual meeting and rose 14 to 583p, but Redland softened a couple of pence of 536p in the absence of further buying interest. Details of new construction orders imparted buying interest towards F. J. C. Lilley, finally a fraction better at 47p. Bid speculation boosted Walter Lawrence 9 to 155p.

ICI were again inclined easier on currency influences and settled ⅛ off at £14¼. Allied Colloids eased 9 to 281p, the excellent annual results and proposed 100 per cent scrip issue discounted. British Benzol, however, moved up 10 to 135p following comment on the preliminary figures, while Rentokil firmed 5 to 211p in response to publicity given to a broker's circular.

Leading retailers, buoyed earlier in the week by encouraging statistics, gave ground across the board, although dealers reported minimal offerings. Nevertheless, Dixons fell 16 to 377p. Storehouse, still overhung by the recent uninspiring figures, fell 7 to 290p. In contrast, revived demand was noted for DIY group A. G. Stanley which finally settled 10 to the good at 140p.

British Telecom, still sensitive to the ebb and flow of pre-election opinion and again subject to substantial traded option activity, dipped 12½ to 323p as around 29m shares changed hands. Other Electrical leaders gave modest ground in thin trading with Thorn EMI 8 off at 733p and GEC a few pence off at 235p. BICC closed 5 lower at 361p on news that the group is near to a deal with Cablec Corporation, the US power cable producer. Cable and Wireless, expected to announce full-year figures on June 24, eased 4 to 409p, but STC rose 3 to 321p awaiting news from an analyst's visit to its ICL subsidiary. Electrocomponents, still a decidedly nervous market in the wake of last week's rather disappointing results, gave up 14 to 465p, but a small recovery developed in recently depressed Sound Diffusion, finally 5 to the good at 71p; the company dismissed recent rumours of an immiment takeover or that the chairman was prepared to dispose of his personal holding as " total fantasy." International Signal and Control hardened 3 to 277p awaiting full year results which are expected this morning.

Hawker Siddeley dipped 10 to 514p, but were the lone weak spot among the engineering leaders. Westland, due to announce interim results today, retreated 5 to 135p, while Staveley Industries edged up 10 to 745p following the preliminary figures. Wagon International attracted speculative support and closed 11 higher at 340p and Porter Chadburn rose 10 to 255p.

The Food sector was bereft of features in a pre-Election market. A BZW bullish review of Food Retailers did little to stimulate interest and prices closed with small irregular movements. Occasional buying was noted in Dee Corporation, finally 4 dearer at 247p, while Tesco continued its recent good run with a further gain of a penny to 569p. On the other hand, profit-taking clipped 4 from Argyll at 469p and a couple of pence from ASDA-MFI at 176p. Among Manufacturers, Hillsdown encountered scrappy selling and shed 12 to 290p, while Hazlewood dipped 7 to 247p on the £52.7m rights issue proposal. Alpine Soft Drinks added a penny to 42p awaiting tomorrow's annual figures.

Publicity given to a broker's circular and news that the company had sold North Sea oil interests to Dyas UK for some US$4.125m helped Grand Metropolitan rise 8 to 580p. Trusthouse Forte were a shade dearer at 252½p, but Ladbroke came back 7 to 425p.

Pilkington Brothers, the St Helens-based glass-maker, touched 907p in the initial business before the onset of profit-taking left the shares 12 off on balance at 888p; preliminary taxable profits of £256m, although above figures estimated by the company at the time of its defence to the bid from BTR, still failed to match up to some expectations. Pilkington chairman, Mr Antony Pilkington said that £264m would have been attainable but for currency influences.

Glaxo, quoted on the New York "big board" from yesterday and still eagerly awaiting a listing in Japan, again attracted occasional international interest and put on ⅛ more to £17⅝. Other leading miscellaneous industrials, however, traded within narrow limits reflecting nervousness ahead of today's election. Fisons, 379p, Hanson Trust, 168p, and Boots, 295p, all eased a few pence, but Beecham, scheduled to reveal preliminary profits today, were unchanged at 555p. Metal Box advanced 2 to 270p following a favourable Press response to Tuesday's results, but Nash Industries, 12 lower at 235p, and Siebe, £10⅞ ran back on further consideration of the respective interim and full-year results. Easier values also prevailed in recent high-fliers DSC, 27 off at 333p and London International, 8 lower at 307p.

Burns-Anderson, the Manchester-based mini-conglomerate, firmed to 207p following confirmation of recent speculation that Sir John Harvey-Jones has been appointed as non-executive chairman. Sir John was formerly chairman of Imperial Chemical Industries. Burns-Anderson also announced the proposed acquisition of Alltype Financial Services in a £1m deal.

Persistent speculative buying on "shell operation" hopes in the wake of Tuesday's agreed consortium bid for the company boosted Marina Developments 79 to 259p, a two-day rise of 132p. Elsewhere in the Leisure sector, Fairline Boats rose 18 to 341p helped by option acivity. Scotts Restaurants gained ⅜ to £10⅛ on speculative buying in a thin market.

Among Motor Distributors, Caffyns responded strongly to the excellent preliminary results and closed 23 higher at 433p. Cowie remained in favour at 632p, up 25 while Godfrey Davis firmed 4 to 173p following the successful bid for Sunlight Services.

United Newpapers, still celebrating its capture of Extel, spurted 12 to 477p; shares of the sport and financial information services rose 9 to 484p in sympathy. Elsewhere, WPP, the rapidly-expanding marketing services group, put on ⅜ to £11¼ following news of the group's £277m approach to US advertising agency JWT; the proyposed deal, which would greatly expand WPP's interests in the communications field, would be financed by a conditional £177m rights issue and a term loan committed by Samuel Montagu and Citibank.

Interest in Properties was mainly concentrated on two stocks. British Land featured the sector, touching 270p prior to closing 11 higher at 262p after revealing annual profits some £3m above market estimates and a better-than-expected net asset value. Great Portland Estates contrasted wit slightly disappointing preliminary figures and settled a shade cheaper at 277p. Bid speculation gave a fresh boost to Peachey, finally 8 higher at 424p, but renewed profit-taking in th wake of the annual results left Regalian 17 lower at 247p. Recent favourite Glentree gave up 27 at 223p, while Marler Estates slipped 13 to 830p.

The Oil sector displayed several good features. Shell perked up with a rise of 1/16 at £13⅛, while Britoil, still boosted by US support, gained 21 more to 308p. Rumours that two brokers had upgraded their profits estimates lifted Burmah 18 to 514p.

Election-sensitive British Gas eased to 186 initially before steadying to close just 2 cheaper on balance at 189p.

South African Golds gave a positive response to the good showinng by silver prices which in turn lifted gold prices. Precious metals were also said to be influenced by the easier tendency in the dollar. Business in the share market was at a relatively low level, according to dealers, but interest from the Continent and the Cape prcved sufficient to lift golds by a couple of dollars or so in the leaders.

Heavyweights were featured by " Amgold " which raced up £2¼ to £87½, Vaal Reefs, £2⅜ up at £76⅞ and Winkelhaak, ½ to the good at £15¾.

Blyvoor, 20 better at 493p, demonstrated the overall trend in the cheaper priced golds. Increased dividends boosted Driefontein ¾ to £15¼, Kloof 17 to 812p and Libanon ¾ to £15¾.

The Gold Mines index advanced 10.1 to 398.8.

Traded options

British Gas held the lion's share of attention in Traded Options, recording 11,242 calls and 7,970 puts. British Telecom, the other major " election " stock, attracted 5,016 calls and 3,768 puts. British Airways were popular and contributed 4,961 calls. Elsewhere, operators showed particular enthusiasm for positions in retail group Sears which attracted 6,196 calls, the June 160's accountinng for 4,593 trades. The FT-SE 100 index, still reflectinng sizeable hedging, saw 2,656 calls and 6,067 puts transacted.

Traditional Options

- First dealings June 8
- Last dealings June 19
- Last declaration Sept 10
- For Settlement Sept 21

For rate indications see end of Unit Trust Service

Included among the calls were, ASDA-MFI, TSB, British Gas, Waterford Glass, Hampton Trust, Scottish and Newcastle Breweries, Amstrad, Bridon, Rolls-Royce, C. H. Industrial, Sound Diffusion, Glentree, Paul Michael Leisurewear, Anglo United, Turner and Newall, GRA, Raglan, BT, Priest (Benjamin), Property Trust, Plessey, Greenwich Resources, Kenmare, Fairline Boats, Brent Walker, Blacks Leisure, Ford (Martin), Common Brothers, Eagle Trust, Ibstock Johnsen, Wellman Engineering, Miller (Stanley), Stakis, Hawtin, Sangers, Baynes (Charles), Hobson, Atlantic Resources, Ferranti, Accis-Jewellery, British Benzol, Rockware, Airship Industries, BSR, Control Securities, Ladies Pride, Barker and Dobson, Tay Homes, Marina Developments, Fisher (Albert), Bats, Ryan International, Smith New Court, Ennex, Glass Glover. Puts: Sangers, Baynes (Charles), Hobsons, Atlantic Resources. Doubles: Raglan, British Gas, Commercial Union, NMC.

FINANCIAL TIMES STOCK INDICES

	June 10	June 9	June 8	June 5	June 4	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	92.70	92.75	92.13	92.15	91.81	90.68	93.32 (8/5)	84.49 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	98.42	98.31	97.95	98.01	98.24	96.57	98.54 (13/5)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1752.2	1,761.3	1,727.2	1,729.9	1,724.6	1,301.1	1,761.3 (9/6)	1,320.2 (2/1)	1,761.3 (9/6/87)	49.4 (26/6/40)
Gold Mines	398.8	388.7	395.5	398.3	389.0	199.5	485.0 (14/4)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.25	3.23	3.29	3.29	3.30	4.21				
Earnings Yld.%(full)	7.83	7.79	7.92	7.92	7.95	10.17				
P/E Ratio (net) (*)	15.76	15.83	15.56	15.57	15.52	11.97				
SEAQ Bargains (5 pm)	52,856	50,389	50,082	39,721	44,836	—				
Equity Turnover (£m)	—	1157.21	1021.06	1157.06	1379.01	526.61				
Equity Bargains	—	51,849	55,091	47,029	52,378	22,639				
Shares Traded (ml)	—	—	486.7	502.1	448.9	223.8				

S.E. ACTIVITY

Indices	June 9	June 8
Gilt Edged Bargains	181.0	114.7
Equity Bargains	336.0	357.0
Equity Value	2339.0	2063.8
5-Day Average		
Gilt Edged Bargains	138.8	132.2
Equity Bargains	309.8	319.5
Equity Value	2488.3	2731.0

♥ Opening 1761.7; 10 a.m. 1753.0; 11 a.m. 1751.3; Noon 1752.2; 1 p.m. 1753.2; 2 p.m. 1753.9; 3 p.m. 1752.3; 4 p.m. 1748.8

Day's High 1762.2. Day's Low 1746.4. Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974. *Nil=15.44.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (163)

BRITISH FUNDS (3), AMERICANS (1), BANKS (3), BREWERS (6), BUILDINGS (13), CHEMICALS (2), STORES (7), ELECTRICALS (11), ENGINEERING (12), FOODS (6), HOTELS (2), INDUSTRIALS (26), INSURANCE (1), LEISURE (1), MOTORS (5), NEWSPAPERS (2), PAPER (11), PROPERTY (6), SHIPPING (1), TEXTILES (1), TRUSTS (38), OILS (3), OVERSEAS TRADERS (1).

NEW LOWS (12)

AMERICANS (1) Pall Corp. CANADIANS (1) Hudson's Bay. BANKS (2) Brown Shipley, Cie B'cre. LEISURE (2) Sedgwick Group, Television Services. NEWSPAPERS (1) News Intl. Spec. Div. TRUSTS (2) F & C Eurotrust, JF Pacific Warrants. OILS (2) Genoa Res. & Inv., Petrogen Petroleum. MINES (1) Minoil Sec.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	5,400	176	−2
Allied Lyons	3,400	444	+5
Amstrad	9,300	188	—
Argyll Group	3,600	469	−4
Assoc. Brit. Foods	139	393	−3
BAT	4,200	595	−9
BET	355	280	−1
BOC	1,900	469	−5
BPB Inds	328	843	−2
BPCC	2,700	303	—
BTR	3,700	319	−7
Barclays	1,700	540	−3
Bass	235	991	−1
Beecham	3,200	555	—
Blue Circle	1,200	507	−3
Boots	3,200	295	−2
Brit. Airways	16,000	165½	+½
Brit. Aero	1,400	575	−1
Brit. & Comm.	1,600	459	−4
Brit. Gas	25,000	189	−2
Britoil	12,500	308½	+21½
BP	9,400	359	—
Brit. Telecom	23,000	323	−12½
Bunzl	2,500	251	+3
Burton	6,100	343½	−½
Cable & Wire	2,700	409	−4
Cadbury Schwps	867	255	−2
Coats Viyella	1,100	645	+10
Comm. Union	1,800	329	+2
Cons. Gold	546	£10⅝	—
Cookson	81	681	−3
Courtaulds	1,600	465	−9
Dee Corpn	2,400	247	+4
Dixons Grp	7,000	377	−16
English China Clays	281	500	−2
Fisons	1,100	379	−2
Gen. Accident	761	953	+8
Gen. Elect	4,800	235	−3
Glaxo	2,900	£17⅝	+⅛
Globe Investment	845	173	−½
Granada	1,700	347	−5
Grand Met	3,300	580	+8
Gus "A"	328	£14⅛	−1/16
Guardian R.E.	274	943	+8
GKN	3,100	344	—
Guinness	4,000	377	−2
Hanson Trust	15,000	168	−1
Hawker Sidd	514	514	−10
Hillsdown Hldgs	2,900	290	−12
ICI	2,900	£14¼	−⅛
Jaguar	1,100	531	−4
Ladbroke	1,300	425	−7
Land Securities	1,300	524	+4
Legal & Gen.	1,500	347	+12
Lloyds Bank	1,600	540	—
Lonrho	1,100	285	−½
MEPC	739	471	+1
Marks & Spncr	7,700	262½	−2½
Midland Bank	721	898	−7
NatWest Bank	2,700	683	+1
Next	1,300	337	−2
Pearson	318	639	−3
P & O	1,400	700	−3
Pilkington Bros	2,900	888	−12
Plessey	11,000	211	+3
Prudential	946	978	+21
Racal	1,700	256	—
Rank Org	1,200	758	−1
RHM	1,800	320	−2
Reckitt & Col	174	£11⅝	—
Redland	565	536	−3
Reed Intl	1,700	470	+3
Reuters	379	751	+2
RMC	284	£10¼	+¼
RTZ	450	£10 1/16	−1/16
Rolls-Royce	6,900	137	−1
Rowntree Mac	945	540	−5
Ryl Bank Scotland	397	364	+2
Royal Insurance	2,100	458	+8
STC	1,500	321	+3
Saatchi & Saatchi	761	576	−13
Sainsbury	348	545	—
Scott & Newcastle	178	242	+2
Sears	2,500	159	−1½
Sedgwick	1,800	285	−5
Shell Trans	2,700	£13⅛	+1/16
Smith & Nephew	702	165	−¼
Standard Chart	145	799	−4
Storehouse	1,200	290	−7
Sun Alliance	578	913	+28
TSB	4,900	92	−1½
Tarmac	2,400	289	−1½
Tesco	2,100	569	+1
Thorn EMI	2,800	733	−8
Trafalgar House	377	369½	+3
T'house Forte	2,800	252½	+2
Unigate	2,100	413	+1
Unilever	589	£33⅛	−¼
United Biscuits	2,500	323	−3
Wellcome	9,500	449	−6
Whitbread "A"	1,800	357	+4
Woolworth	534	884	−5

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	39	46	28
Corporations, Dominion and Foreign Bonds	8	10	43
Industrials	401	561	589
Financial and Properties	149	175	273
Oils	16	44	52
Plantations	2	1	11
Mines	74	55	59
Others	38	108	99
Totals	727	1,000	1,154

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed June 10 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Tue June 9 Index No.	Mon June 9 Index No.	Fri June 5 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (212)	932.97	−0.3	7.37	2.86	17.06	9.24	935.42	924.99	928.41	719.04
2	Building Materials (28)	1230.14	−0.3	6.96	2.73	17.93	9.68	1233.28	1205.18	1206.87	789.21
3	Contracting, Construction (33)	1593.36	+0.8	7.53	2.99	17.82	18.93	1580.64	1567.61	1562.93	1194.29
4	Electricals (13)	2370.57	−0.3	5.62	3.30	23.87	31.62	2377.62	2353.26	2356.92	1944.17
5	Electronics (35)	2078.25	−0.4	7.41	2.14	17.56	12.50	2086.34	2075.24	2082.70	1660.40
6	Mechanical Engineering (60)	498.36	−0.2	8.37	3.42	14.98	7.22	499.53	494.78	498.96	406.41
8	Metals and Metal Forming (7)	520.96	+0.7	7.13	2.91	16.90	5.36	517.28	509.26	508.86	350.01
9	Motors (15)	352.85	—	8.65	3.02	13.46	3.38	352.78	348.30	348.43	296.17
10	Other Industrial Materials (21)	1530.29	−1.0	6.51	3.22	18.53	18.43	1545.67	1534.74	1547.52	1292.35
21	CONSUMER GROUP (185)	1306.10	−0.2	6.09	2.54	21.07	11.30	1308.74	1282.41	1278.84	889.45
22	Brewers and Distillers (22)	1221.55	+0.6	7.74	2.89	16.33	9.97	1214.58	1179.17	1176.35	910.80
25	Food Manufacturing (25)	993.94	−0.8	7.07	3.04	18.41	11.41	1001.84	989.90	991.47	653.90
26	Food Retailing (15)	2419.57	—	5.41	2.38	25.24	21.12	2419.40	2363.46	2378.51	1703.81
27	Health and Household Goods (10)	2541.92	—	3.87	1.53	30.27	8.73	2541.52	2497.05	2464.91	1553.85
29	Leisure (31)	1338.96	−0.3	5.96	3.17	22.09	14.78	1343.07	1318.67	1318.10	869.36
31	Packaging & Paper (15)	671.92	+0.3	6.22	2.55	20.32	5.36	669.78	668.04	665.88	469.15
32	Publishing & Printing (14)	3859.31	+0.4	5.92	3.17	21.76	33.22	3843.57	3801.23	3792.04	2456.32
34	Stores (37)	1114.89	−0.9	6.52	2.58	20.73	11.62	1124.47	1091.35	1087.17	849.73
35	Textiles (16)	758.39	—	8.08	2.94	14.37	10.56	758.59	756.41	761.67	527.91
40	OTHER GROUPS (86)	1107.20	−1.5	7.55	3.06	16.56	8.72	1124.00	1110.35	1104.97	774.82
41	Agencies (16)	1495.29	−0.1	4.61	1.61	28.59	9.15	1497.04	1491.80	1499.77	0.00
42	Chemicals (21)	1328.04	−0.8	7.35	3.31	16.67	18.71	1338.95	1342.25	1351.94	870.38
43	Conglomerates (11)	1349.56	−0.3	7.77	3.31	14.71	7.75	1354.00	1337.97	1331.75	0.00
45	Shipping and Transport (11)	2252.35	−0.2	6.97	3.55	17.98	34.71	2256.66	2225.38	2222.87	1501.48
47	Telephone Networks (2)	1232.73	−3.3	7.59	3.04	17.97	1.09	1274.14	1245.78	1229.53	873.29
48	Miscellaneous (25)	1482.50	−1.2	8.86	2.97	13.51	17.65	1501.19	1481.13	1466.78	1015.29
49	INDUSTRIAL GROUP (483)	1168.59	−0.6	6.81	2.76	18.60	10.22	1175.31	1156.86	1154.82	827.09
51	Oil & Gas (17)	2190.10	+0.5	4.99	4.22	25.94	37.10	2178.15	2153.55	2167.64	1186.65
59	500 SHARE INDEX (500)	1255.25	−0.4	6.54	2.98	19.42	12.57	1260.36	1241.40	1240.76	859.06
61	FINANCIAL GROUP (118)	760.03	+0.4	—	3.85	—	12.06	757.15	749.66	754.32	572.97
62	Banks (8)	792.22	−0.2	17.61	4.73	7.51	15.49	793.73	783.04	792.32	596.60
65	Insurance (Life) (9)	1087.88	+2.2	—	3.87	—	20.71	1064.51	1046.00	1046.36	787.03
66	Insurance (Composite) (7)	554.70	+1.5	—	4.41	—	11.76	546.57	546.14	546.82	457.68
67	Insurance (Brokers) (9)	1192.34	−1.6	9.06	4.52	14.19	26.32	1212.29	1209.39	1217.22	1142.89
68	Merchant Banks (11)	385.44	−0.6	—	3.33	—	3.27	387.90	386.65	388.55	350.95
69	Property (46)	1158.32	+0.2	3.99	2.52	32.49	8.86	1155.45	1148.80	1160.82	765.31
70	Other Financial (28)	497.22	−0.2	6.59	3.13	19.14	4.82	498.00	488.99	486.87	342.18
71	Investment Trusts (93)	1040.18	−0.2	—	2.30	—	9.04	1042.63	1033.06	1031.63	741.08
81	Mining Finance (2)	510.30	−0.4	5.99	3.25	19.62	6.79	512.15	509.05	509.66	278.56
91	Overseas Traders (11)	1046.86	−0.3	8.45	4.43	14.12	22.64	1049.96	1045.59	1047.33	663.46
99	ALL-SHARE INDEX (724)	1121.81	−0.3	—	3.10	—	12.28	1124.99	1109.39	1109.93	777.60

	Index No.	Day's Change	Day's High	Day's Low	June 9	June 8	June 5	June 4	June 3	Year ago
FT-SE 100 SHARE INDEX ‡	2256.1	−9.1	2266.8	2248.9	2265.2	2228.4	2228.8	2214.2	2235.4	1571.4

FIXED INTEREST

	PRICE INDICES	Weds June 10	Day's change %	Tue June 9	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	124.70	+0.03	124.67	—	5.28
2	5-15 years	146.66	−0.04	146.72	—	5.56
3	Over 15 years	157.80	−0.19	158.10	—	5.49
4	Irredeemables	171.29	−0.17	171.58	—	6.30
5	All stocks	142.35	−0.05	142.43	—	5.50
	Index-Linked					
6	5 years	123.11	−0.04	123.16	—	0.83
7	Over 5 years	119.34	−0.19	119.56	—	1.17
8	All stocks	119.46	−0.18	119.67	—	1.13
9	Debentures & Loans	125.35	+0.16	125.15	—	5.65
10	Preference	89.39	−0.01	89.40	—	2.87

	AVERAGE GROSS REDEMPTION YIELDS		Weds June 10	Tue June 9	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	7.82	7.81	7.54
2		15 years	8.60	8.59	9.00
3		25 years	8.61	8.60	9.06
4	Medium Coupons	5 years	8.63	8.62	9.15
5		15 years	8.85	8.83	9.39
6		25 years	8.85	8.83	9.40
7	High Coupons	5 years	8.87	8.86	9.29
8		15 years	8.97	8.95	9.54
9		25 years	8.78	8.75	9.42
10	Irredeemables †		8.72	8.70	8.85
	Index-Linked				
11	Inflat'n rate 5%	5 yrs	2.29	2.27	3.76
12	Inflat'n rate 5%	Over 5 yrs	3.58	3.57	3.32
13	Inflat'n rate 10%	5 yrs	1.89	1.87	2.64
14	Inflat'n rate 10%	Over 5 yrs	3.50	3.49	3.17
15	Debs & Loans	5 years	9.60	9.49	10.17
16		15 years	9.85	9.88	10.25
17		25 years	9.94	9.98	10.27
18	Preference †		10.14	10.14	10.35

‡ Opening index 2266.6; 10 am 2256.7; 11 am 2255.0; Noon 2256.5; 1 pm 2257.3; 2 pm 2258.9; 3 pm 2256.8; 3.30 pm 2250.3; 4 pm 2252.5

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

Option		Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Allied Lyons (*440)	390	57	70	82	6	10	15
	420	36	50	60	13	18	25
	460	14	30	42	35	40	45
Brit. Airways (*165)	140	30	35	47	6	9	11
	160	16½	24	34	12	17	20
	180	9	16	26	22	28	30
[illegible]							

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Guinness (*374)	300	83	90	—	2	5	—
	330	57	65	78	5	12	15
	360	37	50	58	16	25	30
	390	19	32	45	30	40	48
Ladbroke (*424)	405	42	53	—	13	19	—
	420	—	—	50	—	—	28
[illegible]							

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

WORLD STOCK MARKETS

AUSTRIA

June 10	Price Sch%	+ or −
Creditanstalt	1900	−10
Goesser	2575	......
Interunfall	11800	−100
Jungbunzlauer	7950	−50
Laenderbank	1757	+2
Perlmooser	682	−1
Steyr-Daimler	130	......
Veitscher Mag	695	−35

BELGIUM/LUXEMBOURG

June 10	Price Frs.	+ or −
B.B.L.	3200	......
Banque Gen. Du. L.	15300	......
Bank Int. A	14300	......
Bekaert B	10150	......
Ciment CBR	5100	+10
Cockerill	160	−1
Delhaize	3050	......
EBES	4855	−35
Fabrique Nat	1700	+50
GB Inno BM	1080	+20
GBL (Brux) L	3770	+20
Generale Bank	6200	......
Gevaert	6610	+10
Hoboken	7100	−20
Intercom	3940	+30
Kredietbank	4400	+10
Pan Holdings	12400	......
Petrofina	11025	−25
Royale Belge	5610	+60
Soc Gen Belge	3480	+30
Sofina	13900	−100
Solvay	12575	+125
Stanwick Intl.	450	......
Tractebel	7310	+140
UCB	9890	−70
Wagons Lits	5180	+20

DENMARK

June 10	Price Kr %	+ or −
Baltica Skand	950.00	......
Cop Handelsbank	278.00	......
D. Sukkerfab	347.00	+8
Den Danske Bank	353	+1
East Asiatic	196.00	+1
Forenede Brygg	860	......
GNT Holding	267.00	−9
I.S.S.B. Systems	780.00	−5
Jyske Bank	540	+10
Novo Inds.*	246.00	......
Privatbanken	272.00	......
Sophus Berendsen	895.00	+5
Superfos	231.00	−2

FINLAND

June 10	Price Mks	+ or −
Amer	214.5	−5
KOP	49.75	+0.1
Kone	235.5	−13
Finnish Sugar	95.5	+1.95
Nokia	166	+2.5
Pohjola 'B'	81.4	−1.85
Rauma-Repola	26.6	+0.1
Stockmann 'B'	246.5	+7
UBF 'C'	33.45	+0.25
Utd. Paper	150.5	−4
Wartsila (S11)	214	+5.5

FRANCE

June 10	Price Frs.	+ or −
Emprunt 4½% '73	1909.00	+4
Emprunt 7% 1973	8875	+35
Accor	455.00	−2
Agence Havas	540.00	......
Air Liquide	660	−15
BIC	667	−3
BNP (Cert. Inv.)	547	−3
Bongrain	2630	−80
Bouygues	990	−48
BSN Gervais	4930	−42
CIT-Alcatel	2960	−65
Carrefour	3151	−59
Club Mediterranean	605.00	−10
Cie Bancaire	663	−15
Cofimeg	368.50	+3.5
CGE	328.00	......
Damart	2820	−60
Darty	406	+4
Dumez S.A.	2149	−16
Eaux (Cie Gen)	1279	+29
Elf-Aquitaine	369.00	+1
Essilor	3450	−50
Gen. Occidentale	1127	−21
Imetal	117.00	......
Lafarge Coppee	1460	−18
L'Oreal	4000	−90
Legrand	5320.00	−80
Maisons Phenix	115.00	−7
Matra S.A.	2231	−47
Michelin B	3100	−50
Midi (Cie)	1415	−25
Moet-Hennessy	2410	−65
Moulinex	108	......
Nord Est	174.80	−2.7
Paribas	476.00	−1
Pernod Ricard	1010.00	−25
Perrier	758	+3
Petroles Fra	500.00	−19
Peugeot S.A.	1493	−32
Printemps Au	729.00	−12
Radiotech	1470	−30
Redoute	3050	+10
Roussel-Uclaf	1490	−6
St. Gobain	415.20	−2.7
Sefimeg	491	−6
Skis Rossignol	1229	−1
Telemech Elect	2895	−5
Thompson (CSF)	1395	−26
Valeo	555.00	−15

GERMANY

June 10	Price Dm.	+ or −
AEG	309.2	−1
Allianz Vers	1553	−2.4
BASF	289.90	+2.4
Bayer	313.50	+1.5
Bayer-Hypo	365	−5
Bayer-Verein	375	−2.5
BHF-Bank	393	−7
BMW	613	+2
Brown Boveri	328.80	+4
Commerzbank	246.50	+1.5
Cont'l Gummi	332.10	−2.1
Daimler-Benz	1009	−2
Degussa	486.50	+6.5
D'sche Babcock	212	......
Deutsche Bank	569	−16
Dresdner Bank	290	−0.5
Feld Muehle Nob	294.50	+1.5
Henkel	512	......
Hochtief	634.50	−0.5
Hoechst	270.50	−1
Hoesch Werke	115.80	+0.3
Holzmann (P)	380	......
Horten	218	−1
Hussel	515	−3
Karstadt	434.50	−0.3
Kaufhof	475	−2
KHD	164.50	−0.6
Kloeckner	44.90	−0.1
Linde	690	+4
Lufthansa	172	......
MAN	155	−1
Mannesmann	151.50	+2.3
Mercedes Hld.	854	+3
Metallgesell	324	+4.5
Muench Rueck	1550	−50
Nixdorf	786.50	+0.5
Porsche	909	−1
Preussag	155	+1
Rhein West Elect.	211	−0.5
Rosenthal	239	......
Schering	534.50	+0.5
Siemens	694.50	−3.3
Thyssen	116	+0.5
Varta	312	+1
Veba	300	+0.5
V.E.W.	169	+3
Verein-West	387	−10
Volkswagen	372.40	+0.4

ITALY

June 10	Price Lire	+ or −
Banca Com'le	23545	−85
Bastogi-IRBS	657.00	−10
CIR	5990	−60
Credito Italian	2055	−28
Fiat	12830	−120
Generali Assicur	132500	−900
Italcement	96100	−1300
La Rinascenti	1245	+5
Montedison	2550	−30
Olivetti	13000	−150
Pirelli Co	6590	−25
Pirelli Spa	5200	−30
Saipem	3790	−10
Snia BPD	3799	−56
Toro Assic	32330	−150

NETHERLANDS

June 10	Price Fls.	+ or −
ACF Holding	58.3	−0.2
AEGON	87	−0.5
Ahold	92.8	+0.2
AKZO	134.9	+4.9
ABN	466	−1.5
AMEV	58.3	−1.1
AMRO	72.4	−0.2
Bredero Cert	36	+1
Buehrmann-Tet	52.1	−0.1
Dordtsche Petroleum	236	+2.2
Elsevier Ndu	48.7	−0.4
Fokker	47.2	−0.1
Gist Brocades	40.8	+0.5
Heineken	171.2	−0.5
Hoogovens	40.6	−0.4
Hunter Douglas	51.2	−0.1
IHC Caland	19.8	+0.2
Int Mueller	61	−0.6
KLM	48.2	+1
KNP	139.2	−0.1
Nat Ned Cert	66.4	−1.2
Ned Mid Bank	157	−0.6
Ned Lloyd	128.5	−3
Oce Grinten	406	......
Ommeren (Van)	35.5	−0.1
Pakhoed	70.9	+0.9
Philips	48.1	+0.5
Robeco	103.3	......
Rodamco	146.2	+0.2
Rolinco	97.6	+0.4
Rorento	52.3	......
Royal Dutch	257.6	+2.7
Unilever	681	+21.8
VMF Stork	23.7	+0.4
VNU	74.3	−0.4
Wessanen	80	+1
Wolters Samson	133.5	+2.5

NORWAY

June 10	Price Kroner	+ or −
Aker-Norcem	65	......
Bergen bank	171	−2.5
Borgesen B	380	−17.5
Christiania Bk	185	−3
Den Norsk Credit	154.50	−1.5
Elkem	104	−3.5
Kosmos	137	−3
Kvaerner	205	−3
Norsk Data	216	−1.5
Norsk Hydro	201.50	−2.5
Orkla Borregaar	385	−5
Storebrand	348	−4

SPAIN

June 10	Price Pts.	+ or −
Banco Bilbao	1371	......
Banco Central	1003	......
Banco Exterior	440	......
Banco Hispano	500	+5
Banco Popular	1453	......
Banco Santander	1142	......
Banco de Vizcay	1785	......
Banesto	753	......
Dragados	710	+16
Hidrola	72.7	+2.2
Iberduero	102	+1.5
Petroleos	507	−9
Telefonica	170.7	+0.2

SWEDEN

June 10	Price Kronor	+ or −
AGA (free)	193.00	......
Alfa-Laval	318.00	+2
ASEA (Free)	334.00	+1
Astra (Free)	287.00	......
Atlas Copco	169.00	......
Beijer A Fria	227.00	......
Cardo (Free)	295.00	......
Cellulosa	352.00	+3
Electrolux B	287.00	......
Ericsson	268.00	−2
Esselte	147.00	+1
Mo Och Domsjo	372.00	+2
Pharmacia	195.00	−1
Saab-Scania (free)	614.00	+4
Sandvik	171.00	−2
Skandia	151.00	+1
Skan Enskilda	125.00	+2
SKF	361.00	−1
St. Kopparbergs	387.00	+7
Svka Handelsbn	453.00	+3
Swedish Match	98.60	......
Volvo B (Free)	308.00	+2

SWITZERLAND

June 10	Price Frs.	+ or −
Adia Intl.	10550	−775
Alusuisse	630	−10
Bank Leu	3075	−25
Brown Boveri	2090	+20
Ciba Geigy	3125	−50
do. (PtCts)	2130	−40
Credit Suisse	2940	−20
Elektrowatt	3460	+60
Fischer (Geo.)	1425	−50
Hoff-Roche (Pt Cts)	125500	−1000
Hoff-Roche 1/10	12500	−175
Jacobs Suchard	8525	−175
Jelmoli	3370	−55
Landis & Gyr	1500	......
Nestle	8825	−75
Oer-Buhrle	1150	−5
Pargesa Hldg	2075	−15
Pirelli	389	−6
Sandoz (Br)	11500	−250
Sandoz (PtCts)	1875	−5
Schindler (PtCts)	820	−5
Sika	1525	−115
Surveillance	6200	−100
Swissair	1300	−20
Swiss Bank	425	+1
Swiss Reinsce	15200	−150
Swiss Volksbk	1970	−15
Union Bank	4350	−60
Winterthur	5825	−175
Zurich Ins	6000	−200

AUSTRALIA

June 10	Price Aust$	+ or −
ACI Int.	4.00	......
A.F.P.	2.55	−0.07
Adelaide Steams	9.50	......
Amcor	4.45	+0.05
ANZ Group	4.08	−0.02
Ampol Pet	2.90	−0.15
Ariadne Aust	3.28	−0.04
Ashton	3.52	+0.07
Aust Guarant	2.70	......
Aust Nat Inds	1.95	......
Bell Group	7.90	......
Bell Resources	4.50	......
Bond Corp Hldgs	2.35	......
Boral	5.04	−0.02
B'ville Copper	4.80	+0.15
Brambles Inds	9.80	+0.1
Bridge Oil	1.58	+0.03
BHP	9.84	+0.08
Burns Philp	4.65xa	......
CRA	9.16	+0.12
CSR	3.93	+0.01
Chase Corp	3.00	−0.05
Claremont Petro	1.00	−0.05
Coles Myer	7.20	......
Comalco "A"	3.50	+0.03
Consolidated Pet	0.25	......
Costain Aust	2.90	......
Elders IXL	4.45	......
Energy Res	2.55	−0.05
Gen Prop Trust	3.25	−0.1
Hardie (J.)	3.40	......
Hartogen Energy	3.35	+0.05
ICI Aust	4.85	......
Industrial Equity	4.65	+0.1
Jimbllana (50cFP)	0.55	......
Kia Ora Gold	1.15	+0.05
Kidston Gold	7.50	......
Lend Lease	14.80	+0.15
MIM	2.42	+0.1
Mayne Nickless	4.30	−0.05
Nat. Aust. Bank	4.70	+0.08

AUSTRALIA (Continued)

June 10	Price Aust$	+ or −
News	18.60	+0.3
Noranda Pacific	3.35	−0.1
North Bkn Hill	2.90	+0.2
Oakbridge	0.65	......
Pacific Dunlop	4.65	−0.01
Pancont'l	3.90	+0.05
Pioneer Conc	3.30	+0.05
Placer Pacific	3.75	+0.05
Poseidon	4.30	+0.1
Queensland Coal	1.45	+0.03
Santos	6.54	−0.26
Smith (H.)	4.95	......
Thos Natwide	4.45	......
Tooth	7.60	+0.1
Vamgas	3.70	......
Western Mining	6.44	+0.06
Westpac	4.94	+0.12
Woodside Petrol	2.20	......
Woolworths	3.35	......
Wormald Intl	3.38	−0.17

HONG KONG

June 10	Price H.K.$	+ or −
Bank East Asia	23.40	−0.1
Cathy Pacific	6.30	+0.05
Cheung Kong	12.00	+0.2
China Light	22.90	......
Evergo	0.68	−0.01
Hang Lung	13.80	−0.1
Hang Seng Bank	36.50	−1
Henderson Land	6.80	−0.1
Hong Kong China	16.80	......
HK Electric	15.20	......
HK Land	6.90	......
HK Shanghai Bank	8.45	......
HK Telephone	14.20	−0.3
Hutchison Wpa	12.60	......
Indust Equity P	21.00	+0.7
Jardine Math	18.10	−0.4
New World Dev	12.20	−0.1
SHK Props	16.90	+0.1
Shell Elec. Mfg.	1.40	−0.01
Swire Pac A	22.10	−0.1
TV-B	13.90	......
Wharf Hldgs	8.55	−0.05
Windsor Ind.	11.50	+0.1
World Int Hldgs	4.12	+0.02

JAPAN

June 10	Price Yen	+ or −
Ajinomoto	3620	......
All Nippon Air	1910	−30
Alps Electric	1990	−90
Asahi Chemicals	1250	−10
Asahi Glass	2100	+10
Bank Tokyo	1820	+70
Bridgestone	1050	+20
Brother Inds.	650	+19
Canon	886	−24
Casio Computers	1130	−40
Chugai Pharm	1930	+30
Daiei	1800	+40
Dai Ichi Kan Bank	3960	+100
Dai Nippon Ink	761	−9
Dai Nippon Ptg	2380	+10
Daiwa House	2600	+50
Daiwa Sec	3440	+150
Eisai	2000	+10
Fanuc	5100	−190
Fuji Bank	4080	+200
Fuji Film	3200	−40
Fujisawa	2030	+40
Fujitsu	1050	−20
Fujisawa Elect	796	−12
Green Cross	2700	−80
Heiwa Real Est	1920	+60
Hitachi	1040	−40
Hitachi Credit	1850	+50
Honda	1490	−50
Indl Bank Japan	5210	+330
Ishikawajima Ha	769	+24
Isuzu Motors	382	−14
Itoh (C)	839	+9
Ito Yokado	4000	+110
JAL	15700	−200
Jusco	1450	+60
Kajima	1990	......
Kao Soap	2100	−40
Kawasaki Steel	270	+17
Kirin	2960	+20
Kobe Steel	308	+9
Komatsu	671	−4
Konishiroku	691	+6
Kubota	622	−13
Kumagai	1210	+30
Kyoto Ceramic	5010	−100
Marubeni	561	−3
Marui	3390	+140
Mazda Motors	418	−3
Meija Seika	1190	−10
MEI	1840	−20
M'bishi Bank	4150	+230
M'bishi Chem	1170	+10
M'bishi Corp	1520	+60
M'bishi Elec	580	−9
M'bishi Estate	3180	+70
MHI	633	+23
Mitsui Bank	2790	+80
Mitsui Co	858	+18
Mitsui Estate	2980	+40
Mitsui Toatsu	740	−3
Mitsukoshi	1800	+50
NGK Insulators	950	−7
Niko Sec	2800	+140
Nippon Denso	1510	+10
Nippon Elect	1840	−30
Nippon Express	1460	+60
Nippon Gakki	1520	+20
Nippon Kogaku	760	−15
Nippon Kokan	327	+12
Nippon Oil	1330	+10

JAPAN (Continued)

June 10	Price Yen	+ or −
Nippon Seiko	529	−7
Nippon Shimpan	1410	+50
Nippon Steel	372	+11
Nippon Suisan	640	−10
Nippon Yusen	654	+17
Nissan Motor	711	−9
Nisshin Flour	1350	−10
Nomura	5380	+180
Olympus	1090	......
Onada Cement	805	−10
Orient Finance	1700	+20
Orient Leasing	4020	+20
Pioneer	2310	−40
Ricoh	942	−7
Sankyo	1910	−20
Sanwa Bank	3430	+160
Sanyo Elect	475	−8
Sapporo	2300	+10
Sekisui House	2530	−20
Seven-Eleven	8200	+250
Sharp	982	−28
Shimizu Const.	1100	+10
Shionogi	1760	−30
Shiseido	2100	−50
Showa Denko	671	−8
Sony	3090	−90
S'tomo Bank	4930	+290
Sumitomo Chem	912	+11
Sumitomo Corp	1210	+20
S'tomo Elect	1760	−10
S'tomo Metal	252	+12
Taisei Corp	1250	+20
Taisho Marine	1420	+70
Taiyo Kobe Bank	1900	+130
Takeda	3340	−10
TDK	3360	−90
Teijin	865	−9
Toa Nenryo Kyo	2170	−30
Tokai Bank	2540	+60
Tokyo Marine	2680	+120
Tokyo Elect Pwr	7930	+60
Tokyo Gas	1360	+40
Tokyu Corp	2080	+30
Toppan Print	1710	−10
Toray	748	−7
Toshiba Elect	725	−10
Toyo Seikan	2440	−30
Toyota Motor	1870	−30
UBE Inds	519	+9
Victor	2640	−70
Yamaha	839	−2
Yamaichi Sec	2780	+160
Yamanouchi	4090	−20
Yamazaki	1750	−10
Yasuda Fire	1330	+50

SINGAPORE

June 10	Price $	+ or −
Boustead Hldgs	1.91	......
Cerebos Pacific	5.5	−0.2
Cold Storage	4.36	+0.02
DBS	13.8	−0.1
Genting	6.65	+0.15
Haw Par Bros	4.86	+0.06
Hong Leong Fin.	4.38	+0.08
Inchcape Bhd	5.15	−0.1
Keppel Shipyard	3.66	......
Malay Banking	7.65	+0.15
Malayan Utd. Ind.	2.48	+0.02
Multi Purpose	0.93	+0.06
OCBC	9.4	−0.05
OUB	4.56	+0.12
Public Bank	2.71	+0.11
Sime Darby	3.32	−0.08
Singapore Air	13.4	−0.1
Singapore Press	8.3	+0.05
Straits Trading	4.26	−0.04
Tat Lee Bank	3.48	......
UOB	5.55	+0.05

SOUTH AFRICA

June 10	Price Rand	+ or −
Abercom	3.40	−0.05
AE & CI	17.75	+0.25
Allied Tech.	150	......
Anglo Am Coal	36.00	......
Anglo Am Corp	81.50	+1.5
Anglo Am Gold	372.00	+10
Barclays Bank	20.25	−0.75
Barlow Rand	25.50	......
Buffels	75.00	+0.25
CNA Gallo	4.70	+0.1
Currie Finance	5.35	+0.05
De Beers	38.75	+0.1
Driefontein	83.00	+1.75
Freegold	53.85	+0.35
Gold Fields SA	72.50	+1
Highveld Steel	6.90	......
Malcor Hldgs	19.25	......
Nedbank	8.30	+0.1
OK Bazaars	18.25	......
Rembrandt	15.00	......
Rust Plat	55	......
Safren	26.75	−0.25
Sage Holdings	17.25	−0.25
SA Brewers	18.35	−0.15
Smith (C.G.)	42.50	+1.1
Tongaat Hulett	12.00	+0.1

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. • Price in Kroner.

CANADA

TORONTO
Closing prices June 10

Sales	Stock	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales 8,971,313 shares

MONTREAL
Closing prices June 10

Sales	Stock	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

F—No voting rights or restricted voting rights.

Indices

NEW YORK—DOW JONES

	June 10	June 9	June 8	June 5	June 4	June 3	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Industrials	2,353.81	2,352.7	2,351.84	2,326.15	2,337.08	2,320.88	2405.54 (8/4/87)	1927.31 (2/1)	2405.54 (8/4/87)	41.22 (2/7/32)
Transport	1,023.32	1,013.34	1,001.42	986.86	984.58	978.76	1013.34 (9/6/87)	818.38 (2/1)	1013.34 (9/6/87)	12.32 (8/7/32)
Utilities	201.12	201.12	201.08	198.64	198.47	198.86	227.83 (22/1/87)	191.38 (28/5)	227.83 (8/4/87)	10.5 (8/4/32)
Trading vol		184.13m	138.37m	129.11m	148.30m	184.17m	—	—	—	—

	May 29	April 24	April 10	Year Ago (Approx)
Ind Div Yield %	2.83	2.88	2.86	3.57

STANDARD AND POORS

	June 10	June 9	June 8	June 5	June 4	June 3	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Industrials	344.03	344.80	344.18	340.53	342.84	340.77	348.93 (6/5/87)	274.58 (2/1/87)	348.40 (6/4/87)	3.82 (21/6/32)
Composite	297.47	297.28	298.72	293.45	295.89	293.47	301.95 (6/4/87)	246.45 (2/1/87)	301.95 (6/4/87)	4.40 (1/6/32)

	June 3	May 27	May 20	Year Ago (Approx)
Ind div yield %	2.98	3.03	3.14	3.06
Ind. P/E Ratio	18.40	18.03	18.34	17.23
Long Gov Bond Yield	8.93	8.65	9.07	8.87

N.Y.S.E. ALL COMMON / RISES AND FALLS

[illegible]
[illegible]

TORONTO

[illegible]
[illegible]

NYSE-Consolidated 1500 Actives

[illegible]
[illegible]

Advances 841 Declines 491

	June 10	June 9	June 8	June 5	1987 High	1987 Low
AUSTRALIA All Ord (1/1/80)	1788.6	1781.5	(c)	1778.0	1858.8 (18/5)	1486.7 (2/2)
Metals & Minerals (1/1/80)	1085.5	1075.0	(c)	1073.7	1287.5 (18/5)	729.1 (2/1)
AUSTRIA Credit Aktien (30/12/84)	184.18	185.99	(c)	186.61	230.60 (2/1)	183.43 (25/5)
BELGIUM Brussels SE (1/1/84)	4605.60	4580.70	(c)	4566.72	4683.0 (15/5)	3987.86 (9/1)
DENMARK Copenhagen SE (3/1/83)	(u)	207.51	(c)	(c)	217.57 (22/1)	189.64 (6/1)
FINLAND Unitas General (1975)	537.7	531.7	524.7	523.0	537.7 (10/6)	425.2 (5/1)
FRANCE CAC General (31/12/82)	407.10	414.20	(c)	413.40	460.4 (26/3)	392.0 (2/1)
Ind Tendance (31/12/86)	101.10	102.70	(c)	102.80	117.2 (26/3)	97.8 (2/1)
GERMANY FAZ Aktien (31/12/58)	577.46	576.03	(c)	578.56	676.84 (6/1)	538.32 (19/3)
Commerzbank (1/12/53)	1740.60	1741.50	(c)	1749.90	2048.3 (6/1)	1653.8 (19/3)
HONG KONG Hang Seng Bank (31/7/64)	3097.33	3108.57	3068.06	3064.33	3108.57 (9/6)	2449.88 (20/1)
ITALY Banca Com. Ital (1972)	696.46	703.10	701.43	697.40	767.34 (30/4)	673.60 (3/3)
JAPAN** Nikkei (16/5/49)	25738.96	25379.88	25523.89	25271.30	25738.96 (10/6)	18544.0 (13/1)
Tokyo SE New (4/1/68)	—	2196.01	2195.28	2181.61	2195.28 (8/6)	1557.46 (13/1)
NETHERLANDS ANP CBS Gen (1970)	288.30	287.30	(c)	287.0	293.4 (9/4)	257.7 (28/1)
ANP CBS Indust. (1970)	244.30	244.00	(c)	245.50	274.9 (5/1)	243.7 (28/1)
NORWAY Oslo SE (4/1/83)	429.34	435.82	(c)	—	436.16 (24/4)	361.98 (2/1)
SINGAPORE Straits Times (30/12/66)	1224.37	1223.82	1241.00	1245.71	1245.71 (5/6)	889.08 (2/1)
SOUTH AFRICA JSE Gold / JSE Indust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPAIN Madrid SE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SWEDEN Jacobson & P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SWITZERLAND Swiss Bank Corp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WORLD M.S. Capital Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

**Saturday May 30: Japan Nikkei 24,901.59. TSE: 2,146.26.

Base values of all indices are 100 except Brussels SE—1,000 JSE Gold—255.7 JSE Industrials—264.3 and Australia, All Ordinary and Metals—500; NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 transports. (c) Closed. (u) Unavailable.

LONDON — Most Active Stocks
Wednesday, June 10, 1987

	Stocks Traded	Closing Price	Change on Day
British Gas	25.80m	180	− 2
British Telecom	23.80m	323	−12½
Hanson Trust	15.08m	168	− 1
British Airways	16.80m	165½	+ ½
Britoil	12.50m	308½	+21½
Plessey	11.80m	211	+ 3
Wellcome	9.50m	440	− 6
BP	9.40m	359	—
Amstrad	9.30m	188	—
Marks & Spencer	7.70m	262½	− 2½

TOKYO — Most Active Stocks
Wednesday, June 10, 1987

	Stocks Traded	Closing Prices	Change on Day
Nippon Steel	137.80	372	+ 11
Nisshin Steel	58.40m	453	+ 18
Mitsubishi Heavy Ind	56.99m	633	+ 23
Ishikawajima	31.26m	768	+ 24
Sumitomo Metal	29.29m	252	+ 12
Japan Line	20.33m	213	+ 13
Toyo Soda	19.18m	779	+ 50
Kawasaki Steel	16.25m	270	+ 17
Kayaza	15.89m	163	+ 35
Nippon Kayaku	14.78m	1,490	+ 18

LONDON Chief price changes
(in pence unless otherwise indicated)

RISES:		
British Benzol	135	+10
British Land	262	+11
Britoil	308½	+21½
Burmah Oil	514	+18
Caffyns	433	+23
Costain	383	+14
Glaxo	£17⅝	+ ⅛
Marina Dev	259	+79
RMC	£10¼	+ ¼
Shell Transport	£13⅝	+ ³⁄₁₆
Stanley (AG)	140	+10
Untd Newspapers	477	+12
WPP	£11¼	+ ⅜

FALLS:		
Allied Colloids	281	− 9
Brit. Tel.	323	−12½
Hawker Siddeley	514	−10
Hazlewood Foods	247	− 7
Pilkington Bros	888	−12
Regalian Props	247	−17

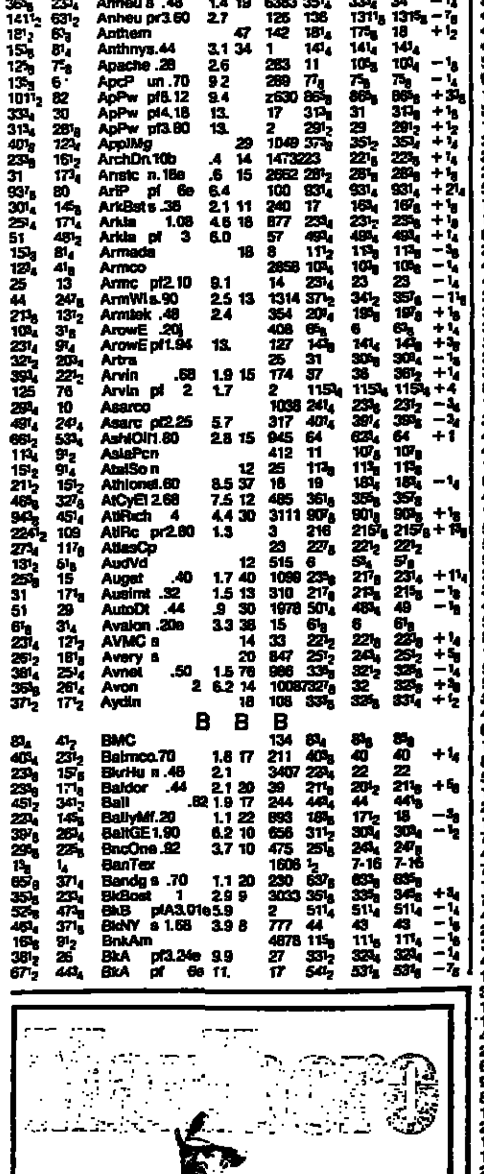
OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 41

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4⅞	1½	vjAmfsc				116	3	2¾	3	+⅛
89¾	54½	Amoco	3.30	3.8	33	3562	87¼	86	86⅞	+⅝
58⅝	32⅞	AMP	.80	1.4	34	5433	u59¼	57⅛	58	+⅞
16¼	12¾	Ampco	.30	2.0		325	15⅛	14⅞	14⅞	−⅛
22	11¼	Amreps			12	40	12⅝	12⅜	12½	
38½	28¼	AmSth	1.16	3.7	10	107	32	31¼	31¾	−¼
9⅛	2½	Anacmp			54	3713	8¼	7⅞	8⅛	+¼
31½	18⅜	Anadrk	.30	1.1		3589	28	27⅜	27¾	−¼
23⅞	14¼	Analog			50	123	20⅞	20½	20½	−⅜
24⅞	10¼	AnchGs	.08	.4	13	170	23	22⅜	22¾	+½
35	24⅝	Anchor	1.48	5.0	35	731	29⅝	29⅜	29½	+⅛
29¾	22	Angelic	.72	2.6	15	82	27⅞	27⅝	27⅞	
16	13⅜	AnglCrn	1.52	11.		26	14⅛	13⅞	14⅛	+⅛
36⅝	23¾	Anheu s	.48	1.4	19	6383	35¼	33¾	34	−¼
141½	63½	Anheu pr	3.60	2.7		126	136	131⅞	131⅝	−⅞
18½	6⅜	Anthem			47	142	18¼	17⅝	18	+½
15⅜	8¼	Anthnys	.44	3.1	34	1	14¼	14¼	14¼	
12⅞	7⅝	Apache	.28	2.6		283	11	10⅝	10¾	−⅛
13⅝	6	ApcP un	.70	9.2		289	7⅞	7⅝	7⅝	−¼
101½	82	ApPw pf	8.12	9.4		z630	86⅝	86⅛	86⅝	+3⅝
33¾	30	ApPw pf	4.18	13.		17	31⅜	31	31⅜	+⅛
31¾	28⅛	ApPw pf	3.80	13.		2	29½	29	29½	+½
40⅛	12¼	ApplMg			29	1049	37⅜	35½	35¾	+¼
23⅜	16½	ArchDn	.10b	.4	14	14732	23	22⅛	22⅝	+¼
31	17¾	Aristc n	.18e	.6	15	2862	28½	28⅛	28⅜	+⅛
93⅞	80	ArlP pf	6e	6.4		100	93¼	93¼	93¼	+2¼
30¼	14⅝	ArkBst s	.36	2.1	11	240	17	16⅞	16⅞	+⅛
25¼	17¼	Arkla	1.08	4.6	18	877	23¾	23½	23⅝	+⅛
51	48½	Arkla pf	3	6.0		57	49¾	49⅝	49¾	+¼
15⅜	8¼	Armada			18	8	11½	11⅜	11⅜	−⅜
12¾	4⅛	Armco				2858	10¼	10⅛	10⅛	−¼
25	13	Armc pf	2.10	9.1		14	23¼	23	23	−¼
44	24⅞	ArmWI s	.90	2.5	13	1314	37½	34½	35⅞	−1⅛
21⅜	13½	Armtek	.48	2.4		354	20¼	19⅝	19⅞	+⅛
10¾	3⅛	ArowE	.20j			408	6⅝	6	6⅜	+¼
23¼	9¼	ArowE pf	1.94	13.		127	14⅜	14¼	14⅜	+⅜
32½	20¾	Artra				25	31	30⅝	30¾	−⅛
39¾	22½	Arvin	.68	1.9	15	174	37	36	36½	+¼
125	76	Arvin pf	2	1.7		2	115¾	115¾	115¾	+4
29¾	10	Asarco				1038	24¼	23⅜	23½	−¾
49¼	24¾	Asarc pf	2.25	5.7		317	40¼	39¼	39⅜	−¾
66½	53¾	AshlOil	1.60	2.8	15	945	64	62¾	64	+1
11¾	9½	AsiaPcn				412	11	10⅞	10⅞	
15½	9¼	AtalSo n			12	25	11⅜	11⅜	11⅜	
21½	15½	Athlone	1.60	8.5	37	18	19	18⅞	18⅞	−⅛
46⅝	32⅞	AtCyEl	2.68	7.5	12	485	36⅛	35⅝	35⅞	
94⅜	45¼	AtlRich	4	4.4	30	3111	90⅞	90⅛	90⅝	+⅛
224½	109	AtlRc pr	2.80	1.3		3	216	215⅞	215⅞	+1⅝
27¾	11⅞	AtlasCp				23	22⅞	22½	22½	
13½	5⅛	AudVd			12	515	6	5¾	5⅞	
25⅜	15	Auget	.40	1.7	40	1099	23⅝	21⅞	23¼	+1¼
31	17⅛	Ausimt	.32	1.5	13	310	21⅞	21⅝	21⅝	−⅛
51	29	AutoDt	.44	.9	30	1978	50¼	48¾	49	−⅛
6⅛	3¼	Avalon	.20e	3.3	38	15	6⅛	6	6⅛	
23¼	12½	AVMC s			14	33	22½	22⅛	22⅜	+¼
26½	18⅛	Avery s			20	847	25½	24¾	25½	+⅝
36¼	25¼	Avnet	.50	1.5	76	986	33⅜	32½	32⅝	−¼
35⅜	26¼	Avon	2	6.2	14	10087	32⅞	32	32⅝	+⅜
37½	17½	Aydin			18	108	33⅜	32⅝	33¼	+½
		B B B								
8¾	4½	BMC				134	6¾	6⅜	6⅜	
40¾	23½	Balmco	.70	1.8	17	211	40⅜	40	40	+¼
23⅜	15⅞	BkrHu n	.46	2.1		3407	22¾	22	22	
23⅜	17⅛	Baldor	.44	2.1	20	39	21⅛	20½	21⅛	+⅝
45½	34½	Ball	.82	1.9	17	244	44⅝	44	44⅝	
22¼	14⅝	BallyMf	.20	1.1	22	893	18⅜	17½	18	−⅜
39⅞	26¾	BaltGE	1.90	6.2	10	656	31½	30⅜	30¾	−½
29⅝	22⅝	BncOne	.92	3.7	10	475	25⅛	24¾	24⅞	
1⅜	¼	BanTex				1606	½	7-16	7-16	
65⅞	37¼	Bandg s	.70	1.1	20	230	63⅞	63⅝	63⅝	
35⅝	23¾	BkBost	1	2.9	9	3033	35⅛	33⅝	34⅝	+¾
52⅝	47⅜	BkB pfA	3.01e	5.9		2	51¼	51¼	51¼	−¼
46¾	37⅛	BkNY s	1.68	3.9	8	777	44	43	43	−⅛
16⅜	9½	BnkAm				4878	11⅝	11⅛	11¼	−⅛
38½	26	BkA pf	3.24e	9.9		27	33½	32¾	32¾	−¼
67½	44¾	BkA pf	6e	11.		17	54½	53½	53½	−⅞



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NYSE COMPOSITE CLOSING PRICES

Continued from Page 40

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19⅝	10¾	OrionP			31	356	14	13½	13⅝	
12⅞	6⅝	Orion pr	.50	5.0		17	10	10	10	
38½	23⅞	OutbdM	.64	1.9	36	474	34¼	33½	33⅝	−⅝
30¼	18	OvShip	.50	1.9	18	412	26½	26⅛	26⅛	−⅛
32⅝	8⅞	OwenCn			11	667	25¼	24⅞	25	+⅛
18	13⅞	Oxford	.50	2.8	17	533	17⅞	16⅞	17¾	+1⅛

P Q

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
38⅞	29⅛	PHH	1.04	2.6	17	440	u40½	39⅝	40¼	+½
46¾	28⅝	PPG s	1.08	2.6	15	2927	41¼	40⅝	40⅞	+⅜
17⅝	14¾	PacAS	1.54	10.		25	15	14¾	15	+¼
27½	19⅝	PacGE	1.92	9.8	10	2244	20⅛	19¾	20	−⅛
59	45	PacLtg	3.48	6.4	13	878	55⅝	54¼	54⅝	−¾
17⅜	13	PacRes	.05e	.3	11	64	15⅞	15¾	15¾	
27	22¾	PacRs pf	2	7.8		5	25¾	25¼	25¾	+⅛
17⅜	13	PacSci	.40	2.4	30	19	16¾	16½	16⅝	+⅛
31⅛	22½	PacTele	1.64	6.5	10	6474	26⅛	25¼	25¾	−⅜
39	31¾	Pacificp	2.52	7.0	10	511	36⅞	35⅝	35¾	−⅛
29⅞	14¾	Pacx-Ph			16	1395	18	17¼	17½	−½
39⅛	26	PainW s	.52	1.7	12	1280	30⅞	30	30⅝	−⅜
25½	22	PainW pf	1.37	6.0		10	23	23	23	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
43⅞	20¾	Zayre	.40	1.5	17	5118	27½	26⅞	27⅛	+⅛
14¾	9¾	Zemex	.40	3.1	8	27	13¼	12⅞	13	
29¾	18⅞	ZenithE				1366	29⅛	28½	28½	−⅜
17½	8	ZenLab				774	10⅝	10¼	10⅜	−¼
19½	12⅜	Zero	.36	2.3	16	60	16⅛	15⅞	16	
51¾	32¾	Zurnln	1.36	2.7	18	238	50⅜	49¼	50⅜	+1⅛
10⅝	8¼	Zweig n	.10e	1.1		834	9¼	9	9¼	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 39

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Foreign interest gives way to profit taking

WALL STREET

A STRONG RALLY on Wall Street yesterday morning gave way to profit taking in the afternoon and after wide gyrations in the final hour of trading US share prices ended the session marginally higher, *writes William Hall in New York.*

The early morning rally was fuelled by a strong performance in the fixed interest markets, a stronger dollar and some evidence of increased foreign buying of US equities. However, US Government bond prices which had been showing gains of over a point at midday fell back in the afternoon and the US treasury long bond ended the day virtually unchanged at 100[illegible] to yield 8.725.

The Dow Jones Transportation index, which is considered a leading indicator for the more broadly based industrial average, continued to hit new peaks yesterday and although it finished below its best, ended the day at 1023.32, the fifth successive daily record.

The Dow Jones industrial average rose throughout the morning and by 2pm was 25.49 points ahead at 2378.19 but fell sharply towards the end of the day and after being 15 points down late in the afternoon closed 0.91 higher at 2353.61.

The S & P 500 index rose by 0.19 to 297.47 and the New York Stock Exchange Composite index rose 0.15 to 167.53. Trading volume picked up yesterday with 198.6m shares changing hands.

Blue chips prices moved ahead across the board in early trading but then retreated towards the close led by IBM which slipped $2¼ to $157⅞ amidst concern that the company might be having some problems with its new line of personal computers.

The performance of the other heavily capitalised stocks was mixed. Exxon rose $⅝ to $87⅞, General Electric shed $⅝ to $53¾ and AT&T was unchanged at $26. General Motors ended the day $2⅛ down at $84 and Du Pont slipped $1⅞ to $114⅛.

Pharmaceutical stocks managed to hold onto most of the gains in yesterday morning's early advance and Merck ended $2⅛ up at $165½ and consumer products groups such as Procter & Gamble, up $1⅞ at $95⅞, and 3M, up $1⅞ at $133, were also active.

Allegis, which has risen more than 70 per cent so far this year, jumped by another $2 to $92⅞ yesterday following the overnight news that Mr Richard Ferris, the company's beleaguered chairman, had been ousted and the company was planning to reconsider all proposals to restructure Allegis and propose a plan to maximise shareholder value withing the next two to three weeks.

Takeovers both rumoured and real continued to fuel sharp rises in other sectors of the stock market yesterday. JWT group, parent of one of the world's most famous advertising agencies and Hill & Knowlton, the world's biggest public relations firm received a $45 a share cash offer from WPP Group, a small but aggressive UK firm headed by Martin Sorrell, a former financial chief of Saatchi & Saatchi.

JWT, which has been racked by management and earnings problems, has long been considered a prime takeover target and its shares, which had jumped by $3 on Tuesday, rose by another $9¾ to $49 indicating that another bidder may be waiting in the wings.

The shares of Gencorp rose by $2¾ to $103½ following reports that a European company was poised to buy its tyre-making operations for $600m. Gencorp narrowly avoided a $2.2bn hostile takeover bid in April by agreeing to buy back over half its shares for $130 a share

Bank shares turned in a mixed performance yesterday. BankAmerica's shares dropped $⅛ to $11⅛ and Manufacturers Hanover's shares were unchanged at $43⅞. The shares of J. P. Morgan, which have been a strong market of late, rose by another $⅞ to $50.

CANADA

DEMAND for base metals led Toronto share prices modestly higher as other sectors traded sluggishly.

Nickel share Inco added C$½ to 23½ and aluminium issue Alcan C$⅞ to 42⅞ among the leading actives. Resource issues also traded heavily with Nova Alberta class A up C$½ to C$9½ and British Columbia Forest Products ahead C$¼ at C$19¼. Seagram climbed C$2⅞ to C$98

Golds were mixed despite the higher bullion price. Campbell Red Lake gave up C$½ to C$38, International Corona firmed by C$½ to C$40⅞. Dome Mines was C$⅛ easier at C$19⅞.

Banks softened, with Royal Bank C$¼ down at C$35⅞ and Imperial Bank of Commerce C$⅛ lower at C$21.

Montreal was higher overall with mining, minerals, oils and utilities all showing gains. Vancouver was also ahead.

SOUTH AFRICA

GOLD STOCKS followed the bullion price higher in Johannesburg although advances were checked by the stronger financial rand.

Altogether, 43 gold issues rose, just seven fell and 12 were steady. Randfontein picked up R10 to R443, Vaal Reefs R4 to R420, while among more speculative issues Elands added R1.50 to R34.50 and Winkelhaak R2.50 to R86.50.

Mining houses found strength, with Anglo American R1.50 higher at R81.50 and Gencor 25 cents up at R58. Gold Fields of South Africa picked up R1 to R72.50.

Christian Tyler explains how some developing countries are learning to harness capitalism

Third World markets enjoy bountiful adolescence

SPECULATIVE and chaotic some of them may be, but Third World stock exchanges are growing up fast.

By the end of the century the emerging markets in 35 countries will have multiplied their combined capitalisation of $130bn five or six times, according to the International Finance Corporation, the private sector arm of the World Bank.

Among the leaders, Brazil's modern stock market is already larger than Belgium's while both the well-organised South Korean exchange and the ramshackle Indian one have outperformed the industrial world average for a decade.

Even in the most unlikely places – Nepal, Bangladesh and Fiji, for example – the authorities are turning to the West for advice on how to harness capitalism for national development.

The predicted boom in developing country equity markets may come as a surprise to the average Western investor. But some of the big institutions, including the pension funds, are already mapping this unexplored territory.

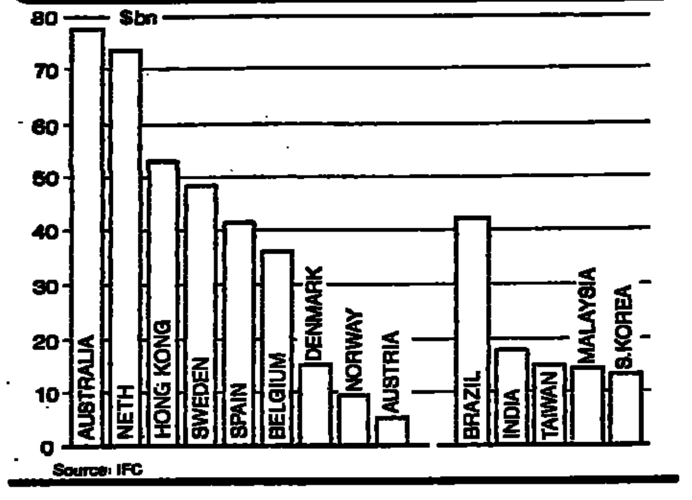
The IFC estimates that they have *so far invested nearly $1bn, a mi*nute fraction of their $2.7 trillion (million million) assets, in Brazil, Korea, Taiwan, Malaysia, Mexico and India. But in the next decade they could be investing that much each year.

Such predictions are based on a number of coincidental trends. First, developing countries have overcome their post-colonial distrust of capitalism, and increasingly regard the equity market as a legitimate way of attracting domestic and foreign capital.

Second, the fashion for converting foreign debt into local equity and the privatisation programmes under way in many countries have created a need for more open and sophisticated market-places. The means for these are now to hand, since computer trading systems can be bought virtually off the shelf.

Eventually, says Mr Antoine van Agtmael, deputy director of the IFC's capital markets department, many of the junior exchanges will become electronically linked to London, Tokyo and New York. They will be part of an international equity market which could one day rival the bond and money markets in size and importance.

Third, developing countries are *anxious to repatriate the capital* that has flown abroad despite administrative efforts to retain it.



They are also faced with the need to provide retirement pensions as their exploding populations grow older.

On the other side of the counter, there is growing demand from foreign fund managers, not least the asset-rich Japanese. They are looking for at least a modest diversification of their risk and alternatives to the saturated equity markets of the North.

Third World equities are still cheap, in spite of periodic speculative fevers. The markets in which they trade are short on information and analysis and price-earnings ratios are generally far lower than in the established centres. For example, Korean stocks were on an average p/e of 8.8 at the end of last year while Japanese stocks were already over 45.

Outsiders with good contacts can often identify bargains that even the local insiders may miss. The inefficiency of the markets provides an opportunity as well as a deterrent.

Returns are often surprisingly good. India, Korea and Chile have done better than the Morgan Stanley-Capital International World Index and better than the Standard and Poors 500 in the last 11 years. Before the debt crisis, according to IFC Data, eight of the top 10 junior exchanges were outperforming the world indices. Some, like Mexico, have bounced back impressively since.

The performance of the Asian economies is hardly a secret. But fund managers expect the smaller Asian exchanges in particular to grow rapidly as their leading companies – many of them the product of Japanese offshore manufacturing investment – profit from the big rise in the value of the yen.

Direct portfolio investment is still not easy, which is why foreign investors generally prefer to buy into one of the 44 country funds – for Korea, Taiwan, Thailand, India and Malaysia – which enjoy privileged access. Some of these have flopped but many have repaid their investors handsomely. The total market value of the funds is now over $1.5bn compared with only $100m five years ago.

Attractive as they may already be to the well-placed investing institution, developing country stock markets will expand only if the barriers are brought down.

Investment restrictions and tax disincentives are gradually being removed, according to the IFC, with Malaysia, Chile, Thailand and the Philippines counted among the more open markets.

But there is still not much liquidity – compared, at least, with the major financial centres – and standards of accounting, disclosure and investor protection are generally lower than the new investor would find acceptable.

For the foreseeable future, the emerging markets will be of marginal interest to the big funds: perhaps one or two per cent of their portfolios. But that margin, when translated into capital flows, adds up to some very large sums indeed compared with traditional sources of development money.

London succumbs to poll jitters

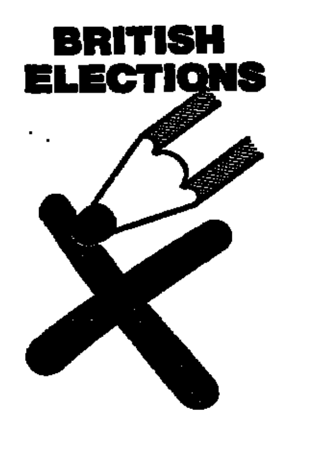
LONDON's equity market succumbed to election eve jitters yesterday and fell from Tuesday's record levels as rumours spread that an opinion poll in today's press would show the Conservatives and Labour parties running neck-and-neck.

The City of London has been confidently expecting a Conservative victory in today's vote following recent opinion polls showing the Conservative party to have a lead of up to 13 per cent over the Labour opposition.

Share prices dipped but rallied to close slightly off the day's lows.

The FT-SE 100 index closed 9.1 lower at 2,256.1 and the FT Ordinary index fell by the same figure to 1,752.2.

Equity trading was thin with the notable exception of issues sensitive to the outcome of the election. Of these, British Gas fell 2p to 189p in trade of 25m shares, making it the day's most active stock.



Behind it, British Telecom dropped 12½p to 323p in trade of 23m. Both issues fell steeply during the session before staging minor rallies.

British Airways, another Conservative party privatisation stock, added ½p to 165½p on the day's fourth highest trade of 16m shares.

Among other popular internationals, Plessey was up 3p at 211p on 11m shares, Hanson Trust shed 1p to 168p on 15m shares and Wellcome was down 6p at 449p on 9.5m shares. Marks & Spencer lost 2½p to 262½p.

Government bonds shadowed the advance of sterling with a ¼ point climb during the morning, before easing as the pound fell from its day's highs. Gilts closed barely changed on the day. **Details, Page 38**

Tie Rack offer subscribed 85 times

BY ALICE RAWSTHORN IN LONDON

THE FLOTATION of Tie Rack, the necktie retailing group which is staging one of the most expensive issues the London stock market has seen, has attracted more than £1bn ($1.66bn) of investors' money for shares worth just £12.5m.

Samuel Montagu, the merchant bank and sponsor to the issue, said yesterday it had received 315,000 applications for around 728m shares. Tie Rack issued 8.6m shares at 145p each. Thus the flotation drew applications for 84.6 times the number of shares available.

Tie Rack had originally hoped to emerge from its issue with a solid core of institutional investors to give it a secure base for future expansion. Now, with such a high over-subscription, Samuel Montagu has dramatically scaled down applications from the institutions. Shares will be allocated to small investors by ballot.

The Tie Rack flotation has come during an unprecedentedly buoyant period for the new issues market. A series of companies – including Pickwick, the record company, and Sock Shop, a fellow retailing group – has staged heavily over-subscribed issues and then watched shares rise to high premiums on the first day of dealings.

Some sceptics in the City of London predicted that the Tie Rack flotation would flop, given that it closed just two days before the general election and that the shares were priced on an unusually high historic price/earnings ratio of 31.5.

Yet investors' enthusiasm was undiminished. Hundreds of people queued in the rain to deliver their applications in London.

Tie Rack's shares are expected to climb to an immediate premium when dealings begin next Tuesday. Dealers on the unofficial "grey" market quoted a price of 222p a share yesterday, a premium of 53 per cent on the offer price.

EUROPE

Venice summit casts shadow over trading

EUROPEAN BOURSES reacted erratically to Wednesday's Venice summit accord and with limited confidence that it would herald more stable exchange rates.

Frankfurt edged higher on a late rally as domestic and foreign investors re-entered the market to chase blue chips generally and chemical issues in particular. The Commerzbank index, calculated at midsession, slipped 0.9 to 1,740.6. The FAZ closing index, however, firmed 1.43 to 577.46.

Chemicals cut early losses to rise on the session, BASF by DM 2.40 to DM 289.90 and Bayer by DM 1.50 to DM 313.50. Schering added a further 50 pfg to DM 534.50. Hoechst proved the exception with a DM 1 drop to DM 270.50.

Among car blue chips, VW picked up 70 pfg to DM 372.50 and confirmed it is holding talks with Toyota of Japan. BMW recouped DM 2 to DM 613, but Daimler fell by the same amount to DM 1,009.

Banks lost further ground. Deutsche Bank dropped DM 16 to DM 569, trading ex a 1-for15 rights issue at DM 450. Dresdner gave up 50 pfg to DM 290, but Commerzbank recovered DM 1.50 of recent losses to DM 246.50.

Bonds strengthened in quiet trade and the Bundesbank sold DM 92.7m of paper after selling DM 71.3m on Tuesday.

Zurich fell again in moderate trade, depressed by the dollar's weakness. The Swiss Bank share index fell 5.3 to 599.5, its lowest since August 8 last year.

MADRID'S bourse edged higher again yesterday as the country went to the polls to elect municipal, regional and European Parliament representatives. The general index rose 1.23 to 226.06, although trade was thinned as many investors stayed sidelined.

Banks firmed, with Hispano 5 percentage points up at 500 per cent of nominal market value. Chemicals and textiles gave up some of Tuesday's gains.

Telefonica rose ¼ of a percentage point to 178¾ per cent. It revealed a 33 per cent rise in first quarter profits. It is also seeking a New York listing.

Engineering share Brown Boveri rose against the trend, however, on strong foreign demand. Its bearers added SFr 20 to SFr 2,090. In the same sector, Sulzer lost SFr 50 to SFr 3,175 and Oerlikon-Bührle bearer were SFr 5 easier at SFr 1,150.

Banks and insurers weakened.

Amsterdam advanced in active trade as a good start on Wall Street and more foreign interest boosted internationals. The buoyancy, however, was not widespread.

Unilever and Akzo were the busiest issues, adding Fl 4.90 and Fl 21.20 to Fl 134.90 and Fl 681 respectively. Unilever benefited from strong UK demand in advance of what is expected to be a London buying spree for the issue after the general election.

KLM was Fl 1 higher at Fl 48.20 after an analyst's recommendation. Royal Dutch was Fl 2.70 up at Fl 257.60 and Philips edged 50 cents higher to Fl 48.10.

Brussels rallied to a firmer close on foreign bargain-hunting. The Brussels SE index was 24.88 up at 4,605.66.

Holdings featured, and Société Générale rose BFr 30 to BFr 3,480 as Groupe Bruxelles Lambert picked BFr 20 up to BFr 3,770. Banks were steady.

Chemicals and insurers also improved.

Paris fell amid worries over the weak dollar.

Foods were badly hit among exporting issues. BSN gave up FFr 41 to FFr 4,930 and Moët-Hennessy FFr 65 to FFr 2,410. Car stocks fell back from Tuesday's gains on profit-taking and Michelin dropped FFr 50 to FFr 3,100, while Peugeot was FFr 32 down at FFr 1,493.

Electronics issues continued to slide. Legrand fell FFr 80 to FFr 5,320, Thomson-CSF lost FFr 27 to FFr 1,395 and Radiotechnique gave up FFr 30 to FFr 1,470.

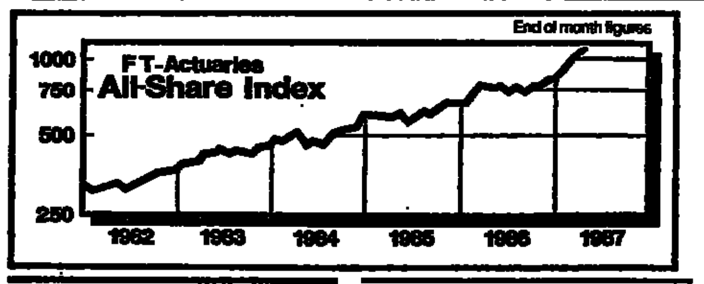
Milan eased as traders sold before Monday's monthly settlements. Uncertainty over the weekend elections were also a depressant.

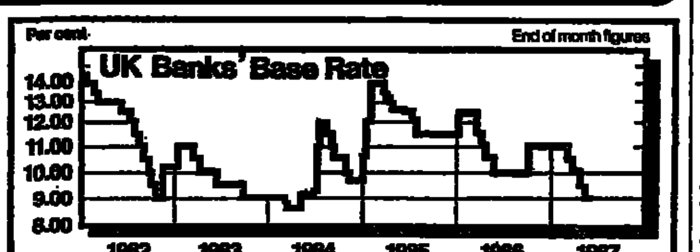
Fiat common slid L140 to L12,810. Insurer Generali lost L950 to L132,450.

Stockholm edged higher. The Veckans Affarer all-share index added 0.6 per cent to 988.6.

Oslo fell in reaction to opposition parties' efforts to unseat the Labour Government.

KEY MARKET MONITORS





STOCK MARKET INDICES

NEW YORK	June 10	Prev	Year ago
DJ Industrials	2,353.61	2,346.94	1,837.19
DJ Transport	1,023.32	1,008.29	774.00
DJ Utilities	201.12	200.60	183.47
S&P Comp.	297.47	296.96	239.58
LONDON FT			
Ord	1,752.2	1,761.3	1,301.1
SE 100	2,256.1	2,265.2	1,586.40
A All-share	1,121.85	1,124.19	777.80
A 500	1,255.25	1,260.36	859.06
Gold mines	396.8	388.7	199.5
A Long gilt	8.78	8.75	9.14
World Act. Ind	132.41	131.29	89.29
(June 8)			
TOKYO			
Nikkei	25,738.96	25,379.88	16,867.7
Tokyo SE	2,243.07	2,196.01	1,311.38
AUSTRALIA			
All Ord.	1,788.5	1,781.5	1,222.1
Metals & Mins.	1,085.5	1,075.0	537.1
AUSTRIA			
Credit Aktien	184.18	185.99	243.24
BELGIAN SE			
	4,605.60	4,580.70	3,541.56
CANADA			
Toronto			
Met.& Mins.	2,905.2	2,814.5	2,173
Composite	3,709.8	3,723.0	3,050.2
Montreal			
Portfolio	1,855.74	1,860.87	1,547.29
DENMARK SE			
SE	206.42	207.51	228.13
FRANCE			
CAC Gen	407.10	414.20	344.1
Ind. Tendance	101.10	102.70	81.17
WEST GERMANY			
FAZ-Aktien	577.46	576.03	652.12
Commerzbank	1,740.60	1,741.50	1,985.2
HONG KONG Hang Seng			
	3,097.33	3,108.57	1,751.36
ITALY Banca Comm.			
	696.46	703.10	685.84
NETHERLANDS ANP CBS			
Gen	288.30	287.30	265.4
Ind	244.30	244.00	279.7
NORWAY Oslo SE			
	429.84	435.82	348.31
SINGAPORE Straits Times			
	1,224.30	1,223.80	712.12
SOUTH AFRICA JSE			
Golds	—	2,090.0	1,262.3
Industrials	—	1,884.0	1,167.5
SPAIN Madrid SE			
	226.06	224.83	176.66
SWEDEN J & P			
	2,678.30	2,636.80	2,429.32
SWITZERLAND Swiss Bank Ind			
	578.40	581.60	558.3

COMMODITIES (London)

	June 10	Prev
Silver (spot)	475.25p	467.70p
Copper (cash)	£955.00	£951.50
Coffee (July)	£1,286.50	£1,288.05
Oil (Brent) (July)	$18.775	$18.75

GOLD ($/oz)

	June 10	Prev
London	$455.75	$453.25
Zürich	$454.25	$453.25
Paris (fixing)	n/a	$452.52
Luxembourg	$475.35	$451.95
New York (August)	$461.30	$461.20

CURRENCIES (London)

	US DOLLAR June 10	US DOLLAR Previous	STERLING June 10	STERLING Previous
$	–	–	1.6590	1.6615
DM	1.7960	1.7905	2.9800	2.9750
Yen	142.45	142.45	236.25	236.75
FFr	6.0050	5.9875	9.9625	9.9475
SFr	1.4865	1.4825	2.4650	2.4625
Fl	2.0245	2.0175	3.3575	3.3525
Lira	1,301	1,298	2,158	2,156.5
BFr	37.20	37.15	61.70	61.70
C$	1.3400	1.3430	2.2200	2.2325

INTEREST RATES

Euro-currencies (3-month offered rate)	June 10	Prev
£	8⅝	8⅝
SFr	3[illegible]	3[illegible]
DM	3[illegible]	3[illegible]
FFr	8⅛	8[illegible]
FT London Interbank fixing (offered rate)		
3-month US$	7[illegible]	7[illegible]
6-month US$	7⅞	7⅞
US Fed Funds	6[illegible]*	6⅞
US3-month CDs	6.85*	6.85
US3-month T-bills	5.475*	5.50

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
June 10 (June)	92.09	92.09	90.26	91.05
US Treasury Bills (IMM) $1m points of 100%				
(Sept)	93.76	93.79	93.62	93.64
Certificates of Deposit (IMM) $1m points of 100%				
(June)	n/a	n/a	n/a	93.26
LONDON				
Three-month Eurodollar $1m points of 100%				
(June)	92.79	92.80	92.72	92.77
20-year Notional Gilt £50,000 32nds of 100%				
(June)	127.06	127.20	127.03	127.16

US BONDS

Treasury	June 10 Price	June 10 Yield	Prev Price	Prev Yield
7¼ 1989	100[illegible]	7.631	100[illegible]	7.63
7 1994	93	8.356	92[illegible]	8.406
8½ 1997	100[illegible]	8.489	99[illegible]	8.555
8⅞ 2017	100[illegible]	8.667	100[illegible]	8.728

Source: Harris Trust Savings Bank

Treasury Index June 10 Maturity (years)	Return index	Day's change	Yield	Day's change
1–30	163.17	+0.23	6.93	−0.03
1–10	154.63	+0.12	6.66	−0.03
1– 3	144.03	+0.07	6.37	−0.03
3– 5	157.57	+0.17	6.71	−0.03
15–30	193.58	+0.59	7.78	−0.03

Source: Merrill Lynch

Corporate	June 10 Price	June 10 Yield	Prev Price	Prev Yield
AT & T 3⅞ July 1990	93.29	6.35	93.24	6.35
SCBT South Central 10⅞ Jan 1993	102.75	10.23	102.50	10.28
Phibro Sal 8 April 1996	91.42	9.45	91.42	9.45
TRW 8⅞ March 1996	98.17	9.40	98.17	9.40
Arco 9⅞ March 2016	102.41	9.66	100.00	9.87
General Motors 8⅝ April 2016	85.65	9.60	83.97	9.80
Citicorp 9⅞ March 2016	91.92	10.25	90.67	10.40

Source: Salomon Brothers

* Latest available figures

ASIA

Large-capitals lead drive to peak

TOKYO

A REVIVAL of buying in large-capitalisation stocks, financials and consumer-spending related issues drove Tokyo share prices to a record high yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

Blue-chips, however, eased slightly as the yen rose towards Y141 to the dollar.

The Nikkei average of 225 select issues gained 259.08 points from the previous day to 25,738.96. Volume increased to 1.11bn shares from Tuesday's 626.78m. Advances led declines by 539 to 408, with 99 issues unchanged.

Dealers in the big securities houses said yesterday's strong performance followed the return to the market of investors who had retreated to the sidelines since the beginning of this week.

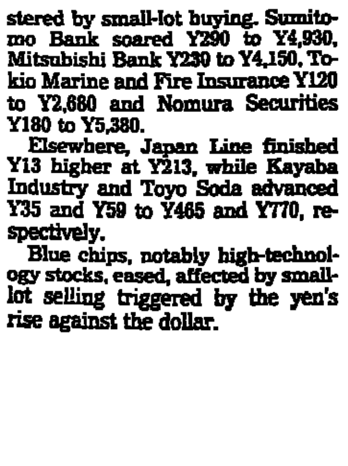
But they said they were sceptical that the bullish market would long continue. Institutional investors, who have great influence on the market, are keeping investment decisions on ice until currency and interest rate trends emerge following the Venice summit.

Large-capitals featured and accounted for six out of the 10 most active stocks . Nippon Steel topped the list with 137m shares changing hands and closed Y11 higher at Y372 after moving Y359 and Y376.

Nisshin rose Y18 to Y453, Mitsubishi Heavy Industries Y23 to Y633 and Ishikawajima-Harima Heavy Industries Y24 to Y769. Nisshin Steel was the second busiest issue with 58.40m shares traded, Mitsubishi Heavy third with 56.99m and Ishikawajima-Harima fourth with 31.27m.

Consumer spending-related stocks were strongly bought, with Tokyu Department Store surging Y60 to Y1,210, Mitsukoshi Y80 to Y1,800 and Takashimaya Y150 to Y1,740.

City banks, non-life insurances and other financials fared well, bolstered by small-lot buying. Sumitomo Bank soared Y290 to Y4,930, Mitsubishi Bank Y230 to Y4,150, Tokio Marine and Fire Insurance Y120 to Y2,680 and Nomura Securities Y180 to Y5,380.



Elsewhere, Japan Line finished Y13 higher at Y213, while Kayaba Industry and Toyo Soda advanced Y35 and Y59 to Y465 and Y770, respectively.

Blue chips, notably high-technology stocks, eased, affected by small-lot selling triggered by the yen's rise against the dollar.

Fujitsu shed Y20 to Y1,050, Hitachi Y40 to Y1,040, Matsushita Electric Industrial Y20 to Y1,840, NEC Y30 to Y1,840 and Fuji Photo Film Y40 to Y3,200.

On the bond market, the yen's renewed strength sparked dealers' buying, with the yield on the benchmark 5.1 per cent government bond, falling due in June 1996, slipping below 3.000 per cent.

When the yield on the benchmark issue fell to around 2.950 per cent, massive sell orders were placed. But this was more than offset by active buying from dealers of major securities houses, and the yield dropped further, ending at 2.925 per cent compared with 3.040 per cent at the close of Tuesday.

AUSTRALIA

A RISE in bullion and other commodity prices helped fuel demand for mining, resources and industrial stocks in Sydney although trading remained very thin in advance of next month's election.

The All Ordinaries index gained 7.5 to 1,789 and the All Resources index was up 8.9 at 1,166.8.

Among the golds, Sons of Gwalia put on 50 cents to A$11.50 and GMK 14 cents to A$8.80, while other mining gains included MIM, up 10 cents at A$2.42, and CRA, 16 cents higher at A$9.20.

Properties remained firm, with Lend Lease up 15 cents at A$14. Other industrials to gain were News Corp, up 20 cents at A$18.60, IEL, 10 cents higher at A$4.65

HONG KONG

THE BULL RUN in Hong Kong came to an abrupt halt as profit-taking pushed the Hang Seng index into reverse to close 11.24 lower at 3,097.33 in active trading worth HK$1.37bn. The correction was expected after the strong rise to record levels over the past week and the market's underlying tone remained positive.

Hongkong Telephone was one of the bigger losers, down 30 cents at HK$14.20, while Hang Seng Bank fell HK$1 to HK$36.50 and Swire Pacific A shares eased 10 cents to HK$22.10.

Some properties escaped the downturn as Cheung Kong gained 20 cents to HK$12 and Sung Hung Kai Properties added 10 cents to HK$16.90.

SINGAPORE

AFTER a weaker start on further profit-taking, Singapore share prices recovered some ground as bargain-hunting set in. The close was mixed, with the Straits Times industrial index up just 0.55 at 1,224.37.

A shortage of scrip for some leading blue chips helped to exaggerate gains.

Among lower-priced issues, Multi-Purpose Holdings, in which Public Bank is seeking a 30 per cent stake, was up 6 cents at 93 cents after 1.6m shares changed hands. Tan Chong led actives with 2.7m shares traded and gained 5 cents to S$1.15.